SWELLENDAM
MUNICIPALITY

AUDITED

FINANCIAL STATEMENTS

30 JUNE 2014

SWELLENDAM LOCAL MUNICIPALITY

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SWELLENDAM LOCAL MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

GENERAL INFORMATION

NATURE OF BUSINESS

Swellendam is a local municipality performing the functions as set out in the Constitution. (Act no 105 of 1996)

COUNTRY OF ORIGIN AND LEGAL FORM

South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998)

JURISDICTION

The Swellendam Municipaliy includes the following areas:
Swellendam
Barrydale
Suurbraak
Buffeljagrsivier
Malagas
Infanta

MAYOR

Mr N.G. Myburgh

MAYORAL COMMITTEE

Mr N.G. Myburgh - Executive Mayor
Mr R.C. Carelse - Deputy Mayor
Mr H. Hartnick - Member

MUNICIPAL MANAGER

Mr.C.M. Africa

CHIEF FINANCIAL OFFICER

Mr H. Schlebusch

REGISTERED OFFICE

49 Voortrekker Street
SWELLENDAM
6740

AUDITORS

Auditor General South Africa
Private Bag X1,
Chempet, 7442

PRINCIPLE BANKERS

FNB Swellendam, P.O. Box 10, Swellendam

ATTORNEYS

Powell Kelly Veldman, P.O. Box 18, Swellendam

RELEVANT LEGISLATION

SWELLENDAM LOCAL MUNICIPALITY

MEMBERS OF THE SWELLENDAM LOCAL MUNICIPALITY

WARD	COUNCILLOR
Ward 1	Cllr J. du Toit Loubser
Ward 2	Cllr M.T.A. Swart
Ward 3	Cllr H. Hartnick
Ward 4	Cllr M.J. Koch
Ward 5	Cllr D.C. Pietersen
Proportional	Cllr N.G Myburgh
Proportional	Cllr R.C.Carelse
Proportional	Cllr G. Libazi
Proportional	Cllr J.C. Nortje

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of the annual financial statements for the year ended 30 June 2014, which are set out on pages 1 to 88 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality. The annual financial statements have been prepared in accordance with GRAP.

I acknowledge that I am ultimately responsible for the system of internal financial control and that the system of internal control provides reasonable assurance that the financial records can be relied on.

I have reviewed the Municipality's cash flow forecast for the year to 30 June 2014 and is satisfied that the Municipality can continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the Municipality's financial statements.

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

Mr C.M Africa
MUNICIPAL MANAGER
Date:

SWELLENDAM LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2013

REPORT OF THE CHIEF FINANCIAL OFFICER

1. INTRODUCTION

It gives me great pleasure to present the financial position of SWELLENDAM LOCAL MUNICIPALITY for the fiscal year 2012/2013

In rendering a corporate financial management service to all departments, the Finance Department's primary objective is to assist the Municipal Manager and senior management to manage their budgets and ensure the effective application of financial resources in rendering services to the community. Further more I have to the best of my knowledge endeavour to assist the Municipal Manager to maintain and exercise his duties as accounting officer as set out in sec 64 (3) of the MFMA which were to ensure :
the resources of the municipality are used effectively. efficiently and economically;
that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards;
that the municipality has and maintains effective, efficient and transparent systems-
(i) of financial and risk management and internal control; and
(ii) of internal audit operating in accordance with any prescribed norms and standards;
that unauthorised, irregular or fruitless and wasteful expenditure and other losses are prevented;
that disciplinary or, when appropriate, criminal proceedings are instituted against any official of the municipality who has allegedly committed an act of financial misconduct : and
that the municipality has and implements-
(i) a tariff policy referred to in section 74 of the Municipal Systems Act;
(ii) a rates policy as may be required in terms of any applicable national legislation; (iii) a credit control and debt collection policy
(iv) a supply chain management policy in accordance with Chapter I I . the Municipal Systems Act; and
is responsible for and must account for all bank accounts

Swellendam Municipality is now fully compliant with the requirements of GRAP.

2. KEY FINANCIAL INDICATORS

The economic downturn and the Eskom issues continue to play a significant negative roll in good financial management. The local economy has been battered of late and all indications are that it will get worse before it gets better.

This is not because of bad or incompetent management, but more related to the nature of business and the economy. I would therefore trust that National and Provincial role-players and officials take all factors in account before making any statements or judgements.

Financial Statement Ratios:

INDICATOR	30 June 2013	30 June 2012
Surplus / (Deficit) for the year before Appropriations	15 382 320	28 629 511
Accumulated Surplus / (Deficit) at the end of the Year	189 226 215	173 814 488
Expenditure Categories as a percentage of Total Expenses:		
Employee related costs	27.66%	35.14%
Remuneration of Councillors	1.69%	1.94%
Debt Impairment	4.61%	2.93%
Depreciation and Amortisation	4.35%	4.92%
Impairments	8.17%	0.03%
Repairs and Maintenance	5.36%	8.41%
Actuarial losses	0.41%	1.38%
Finance Charges	3.07%	4.32%
Bulk Purchases	18.79%	23.89%
Grants and Subsidies	0.76%	0.88%
Stock Adjustments	1.34%	0.00%
Operating Grant Expenditure	11.17%	3.09%
General Expenses	12.53%	13.06%
Loss on disposal of Property,Plant and Equipment	0.09%	0.01%
Current Ratio:		
Creditors Days	**65**	**95**
Debtors Days	**174**	**151.22**

SWELLENDAM LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2013

REPORT OF THE CHIEF FINANCIAL OFFICER

3. OPERATING RESULTS

The overall operating results for the year ended 30 June 2013 are as follows:

DETAILS	Actual 2012/2013 R	Actual 2011/2012 R	Percentage Variance %	Budgeted 2012/2013 R	Variance actual/ budgeted %
Income:					
Opening surplus / (deficit)	173 814 489	145 037 291	19.84%	188 213 498	-8%
Operating income for the year (incl. gains in disposal of assets)	210 935 621	170 895 508	23.43%	211 587 722	-0.31%
Appropriations for the year	29 408	147 687	-80.09%	-	
	384 779 517	316 080 485	21.73%	399 801 220	-3.76%
Expenditure:					
Operating expenditure for the year	195 553 302	142 265 997	37.46%	191 447 220	2.14%
Closing surplus / (deficit)	189 226 216	173 814 489	8.87%	208 354 000	-9.18%
	384 779 517	316 080 485	21.73%	399 801 220	-3.76%

4. FINANCING OF CAPITAL EXPENDITURE

The expenditure on Property, Plant and Equipment during the year amounted to R45281520. Full details of Property, Plant and Equipment are disclosed in note number 13 to the Annual Financial Statements.

The capital expenditure was financed as follows:

DETAILS	Actual 2012/2013 R	Budgeted 2012/2013 R	Percentage Variance %	Source of funding as % of total Cap exp
External Loans	-	-		0.00%
Grants and Subsidies	18 788 889	28 242 000		98.92%
Leased Assets	204 988			1.08%
	18 993 877	28 242 000		100.00%

5. LONG-TERM LIABILITIES

	2013 R	2012 R
The outstanding amount of Long-term Liabilities as at 30 June was :	**34 478 896**	**36 336 076**

New loans taken up during the financial year to enable the municipality to finance part of its capital requirements.

Refer to Note number 3 and Appendix "A" for more detail.

6. NON-CURRENT PROVISIONS AND NON-CURRENT EMPLOYEE BENEFITS

Non-current Provisions and Employee Benefits at 30 June are made up as follows:	**33 813 992**	**46 770 406**
Provision for Post Retirement Benefits	25 209 737	22 061 929
Provision for Long Service Awards	2 245 822	2 225 611
Provision for Rehabilitation of Landfill-sites	6 358 433	22 482 866
	33 813 992	**46 770 406**

These provisions are made in order to enable the municipality to be in a position to fulfil its known legal obligations when they become due and payable.

Refer to Notes number 4 and 5 for more detail.

7. CURRENT LIABILITIES

Current Liabilities are made up as follows:

Consumer Deposits	Note number 6	1 269 296	1 152 103
Current Employee benefits	Note number 7	5 850 465	4 899 532
Provisions	Note number 8	2 869 611	4 849 493
Payables from exchange transactions	Note number 9	13 748 766	18 490 715
Unspent Conditional Government Grants and Receipts	Note number 10	4 882 614	4 070 775
Current Portion of Long-term Liabilities	Note number 3	2 109 831	2 000 141
		30 730 584	35 462 759

Current Liabilities are those liabilities of the municipality due and payable in the short-term (less than 12 months). There is no known reason as to why the municipality will not be able to meet its obligations.

Refer to the indicated Note numbers for more detail.

8. INTANGIBLE ASSETS

The net value of Intangible Assets is:	**78 795**	**71 170**

These are assets which cannot physically be identified and verified and are all in respect of computer software.

Refer to Note number 15 for more detail.

9. PROPERTY, PLANT AND EQUIPMENT

The net value of Property, Plant and Equipment is:	**230 308 226**	**226 591 287**

Refer to Note number 13 for more detail.

10. LONG-TERM RECEIVABLES

Long-term Receivables consist mainly of a loan to Vermont old age home. A provision for impairment for the specific loan was made to the value of R ??	**217 348**	**286 282**

Refer to Note number 18 for more detail.

11. CURRENT ASSETS

Current Assets are made up as follows:

Inventory	Note number 19	14 027 841	16 643 084
Receivables from exchange transactions	Note number 20	7 670 400	8 199 542
Receivables from non-exchange transactions	Note number 21	4 728 519	317 335
Operating Lease Asset	Note number 22	19 973	2 221
Taxes	Note number 12	5 359 802	2 241 053
Current Portion of Long-term Receivables	Note number 18	68 874	61 283
Cash and Cash Equivalents	Note number 23	1 926 617	5 019 646
		33 802 025	**32 484 164**

Refer to the indicated Note numbers for more detail.

12. INTER-GOVERNMENTAL GRANTS

The municipality plays a major role in the improvement in poverty alleviation and in sustaining and improving infrastructure for all its citizens for which it utilising grants received from government and other organisations, and thus it has an immense responsibility as custodian of these funds.

Refer to Notes numbers 10 and 25 as well as Appendix E for more detail.

13. EVENTS AFTER THE REPORTING DATE

Full details of all known events after the reporting date are disclosed in Note number 49

SWELLENDAM LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2013

REPORT OF THE CHIEF FINANCIAL OFFICER

14. DISCLOSURE ISSUES

None

15. EXPRESSION OF APPRECIATION

I am grateful to the Municipal Manager, Directors and Heads of Departments for the support they extended during the financial year.

The work involved in producing these financial statements just gets more detailed and complexes each year and therefore I wish to convey my sincere thanks to the personnel who have assist me with compilation of the Financial Statements, for their hard work and dedication.

Mr.J. DE JAGER
ACTING CHIEF FINANCIAL OFFICER
31 August 2013

SWELLENDAM LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2014

	Notes	2014 R (Actual)	2013 R (Restated)
NET ASSETS AND LIABILITIES			
Net Assets		**193 173 547**	**177 791 228**
Housing Development Fund	**2**	3 947 333	3 976 740
Accumulated Surplus/(Deficit)		189 226 215	173 814 488
Non-Current Liabilities		**62 532 507**	**75 504 220**
Long-term Liabilities	**3**	32 369 065	34 335 935
Employee benefits	**4**	26 674 620	23 534 912
Non-Current Provisions	**5**	3 488 822	17 633 373
Current Liabilities		**30 730 584**	**35 462 759**
Consumer Deposits	**6**	1 269 296	1 152 103
Current Employee benefits	**7**	5 850 465	4 899 532
Provisions	**8**	2 869 611	4 849 493
Payables from exchange transactions	**9**	13 748 766	18 490 715
Unspent Conditional Government Grants and Receipts	**10**	4 882 614	4 070 775
Current Portion of Long-term Liabilities	**3**	2 109 831	2 000 141
Total Net Assets and Liabilities		**286 436 638**	**288 758 207**
ASSETS			
Non-Current Assets		**252 634 613**	**256 065 543**
Property, Plant and Equipment	**13**	230 308 226	226 591 287
Investment Property	**14**	19 777 280	25 198 913
Intangible Assets	**15**	78 795	71 170
Heritage Assets	**16**	1 820 206	3 453 349
Capitalised Restoration Costs	**17**	432 758	464 542
Long-Term Receivables	**18**	217 348	286 282
Current Assets		**33 802 025**	**32 692 664**
Inventory	**19**	14 027 841	16 643 084
Non-Current Assets Held For Sale		-	208 500
Receivables from exchange transactions	**20**	7 670 400	8 199 542
Receivables from non-exchange transactions	**21**	4 728 519	317 335
Operating Lease Asset	**22**	19 973	2 221
Taxes	**12**	5 359 802	2 241 053
Current Portion of Long-term Receivables	**18**	68 874	61 283
Cash and Cash Equivalents	**23**	1 926 617	5 019 646
Total Assets		**286 436 638**	**288 758 207**

SWELLENDAM LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2014

	Notes	2014 (Actual) R	2013 (Restated) R
REVENUE			
Revenue from Non-exchange Transactions		**107 382 512**	**92 288 769**
Taxation Revenue		**25 223 225**	**21 457 222**
Property taxes	**24**	25 223 225	21 457 222
Transfer Revenue		**66 621 071**	**69 521 068**
Government Grants and Subsidies - Capital	**25**	18 788 889	43 293 349
Government Grants and Subsidies - Operating	**25**	47 832 182	26 227 719
Other Revenue		**15 538 217**	**1 310 479**
Actuarial Gains	**4**	235 133	-
Fines		15 303 084	1 310 479
Revenue from Exchange Transactions		**103 553 109**	**78 606 739**
Service Charges	**26**	77 259 422	69 681 745
Rental of Facilities and Equipment		1 214 690	1 242 545
Interest Earned - external investments		661 663	527 019
Interest Earned - outstanding debtors		635 918	1 156 356
Licences and Permits		1 341 966	2 109 429
Agency Services		1 148 440	1 130 183
Other Income	**27**	21 271 010	2 759 460
Gain on disposal of Property, Plant and Equipment		20 000	0
Total Revenue		**210 935 621**	**170 895 508**
EXPENDITURE			
Employee related costs	**28**	54 094 140	49 987 276
Remuneration of Councillors	**29**	3 298 424	2 766 523
Debt Impairment	**30**	9 011 271	4 164 096
Depreciation and Amortisation	**31**	8 502 335	7 000 534
Impairments/Write- offs	**32**	15 968 896	48 496
Repairs and Maintenance		10 478 957	11 970 072
Actuarial losses	**4**	806 168	1 965 267
Finance Charges	**33**	6 005 681	6 140 514
Bulk Purchases	**34**	36 750 814	33 991 785
Grants and Subsidies	**35**	1 494 500	1 246 890
Stock Adjustments		2 623 118	177
Operating Grant Expenditure	**36**	21 833 813	4 392 258
General Expenses	**37**	24 509 714	18 579 265
Loss on disposal of Property,Plant and Equipment		175 470	12 845
Total Expenditure		**195 553 302**	**142 265 997**
NET SURPLUS/(DEFICIT) FOR THE YEAR		**15 382 320**	**28 629 511**

SWELLENDAM LOCAL MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2014

	Housing Development Fund	Accumulated Surplus/ (Deficit)	Total
	R	R	R
Balance at 1 JULY 2012	**4 124 427**	**156 739 669**	**160 864 096**
Change in accounting policy		-	**-**
Correction of error		(11 702 378)	**(11 702 378)**
Restated Balance at 1 JULY 2012	**4 124 427**	**145 037 291**	**149 161 718**
Net Surplus for the year		28 629 511	28 629 511
Transfer to housing	(147 687)	147 687	-
Balance at 30 JUNE 2013	**3 976 740**	**173 814 488**	**177 791 229**
Net Surplus for the year	-	15 382 320	15 382 320
Transfer from housing	(29 408)	29 408	-
Balance at 30 JUNE 2014	**3 947 333**	**189 226 215**	**193 173 548**

SWELLENDAM LOCAL MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2014

	Notes	30 JUNE 2014 R	30 JUNE 2013 R
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Ratepayers and other		137 778 434	100 866 883
Government		67 432 907	66 293 722
Interest		1 297 581	1 683 376
Dividends		-	-
Payments			
Suppliers and employees		(179 158 421)	(115 555 539)
Finance charges	**33**	(6 005 681)	(6 140 514)
Transfers and Grants		(1 494 500)	(1 246 890)
Cash generated by operations	**39**	**19 850 320**	**45 901 037**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment	**13**	(21 257 353)	(45 379 920)
Purchase of Investment property		-	-
Proceeds on Disposal of Fixed Assets		20 000	0
Purchase of Heritage Assets		-	(61 144)
Purchase of Intangible Assets		(27 352)	(10 763)
Decrease in Long-term Receivables	**18**	61 343	56 024
Net Cash from Investing Activities		**(21 203 362)**	**(45 395 803)**
CASH FLOW FROM FINANCING ACTIVITIES			
Loans repaid		(2 062 167)	(1 742 796)
New loans raised		204 988	536 407
Increase in Consumer Deposits		117 193	50 444
Net Cash from Financing Activities		**(1 739 987)**	**(1 155 945)**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**(3 093 029)**	**(650 711)**
Cash and Cash Equivalents at the beginning of the year		5 019 646	5 670 357
Cash and Cash Equivalents at the end of the year	**40**	1 926 617	5 019 646
NET INCREASE IN CASH AND CASH EQUIVALENTS		**(3 093 029)**	**(650 711)**

SWELLENDAM LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2014

COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET

	2014 R (Actual)	2014 R (Final Budget)	2014 R (Variance)	Explanations for material variances (Amounts above R1.97 million)
ASSETS				
Current assets				
Cash	1 926 617	6 093 000	4 166 383	More Trade and other payables paid at year end, as anticipated
Call investment deposits	-	1 128 000	1 128 000	
Consumer debtors	12 398 919	5 601 000	(6 797 919)	Provision for unpaid traffic fines included for the first time
Other Receivables	5 379 774	2 824 000	(2 555 774)	Increasing in VAT receivable due to more creditors which are paid
Current portion of long-term receivables	68 874	61 000	(7 874)	
Inventory	14 027 841	16 563 000	2 535 159	Due to land for sale ,hold as inventory, impaired
Total current assets	33 802 025	32 271 000	(1 532 025)	
Non current assets				
Long-term receivables	217 348	214 000	(3 348)	
Investment property	19 777 280	25 314 000	5 536 720	Impairments of land due to decrease in general valuation values
Property, plant and equipment	230 740 984	249 447 000	18 706 016	Impairments of land due to decrease in general valuation values
Intangible Assets	78 795	55 000	(23 795)	
Heritage Assets	1 820 206	3 688 000	1 867 794	
Total non current assets	252 634 613	278 719 000	26 083 387	
TOTAL ASSETS	286 436 638	310 990 000	24 551 362	
LIABILITIES				
Current liabilities				
Borrowing	2 109 831	2 042 000	(67 831)	
Consumer deposits	1 269 296	1 212 000	(57 296)	
Trade and other payables	18 631 380	25 556 000	6 924 620	More creditors paid at year end as anticipated
Provisions and Employee Benefits	8 720 077	4 227 000	(4 493 077)	Post Employment Benefits increase due to the inclusion of personnel previously excluded
Total current liabilities	30 730 584	33 036 000	2 306 416	
Non current liabilities				
Borrowing	32 369 065	32 294 000	(75 065)	
Provisions and Employee Benefits	30 163 442	33 329 000	3 165 558	Decrease in landfill site rehabilitation cost due to re- valuation
Total non current liabilities	62 532 507	65 623 000	3 090 493	
TOTAL LIABILITIES	93 263 091	98 659 000	5 396 909	
NET ASSETS	193 173 547	212 331 000	19 154 453	
COMMUNITY WEALTH				
Accumulated Surplus/(Deficit)	189 226 215	208 354 000	19 127 785	Due to a correction of error -prior years, for retrospective recognition of Post Employee Benefits
Reserves	3 947 333	3 977 000	29 668	
TOTAL COMMUNITY WEALTH/EQUITY	193 173 547	212 331 000	19 157 453	

SWELLENDAM LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2014

ADJUSTMENTS TO APPROVED BUDGET

	2014 R (Approved Budget)	2014 R (Adjustments)	2014 R (Final Budget)	Explanations for material adjustments (Amounts above R1.97 million)
ASSETS				
Current assets				
Cash	-	6 093 000	6 093 000	More cash due to improved recovery of consumer debtors
Call investment deposits	-	1 128 000	1 128 000	
Consumer debtors	12 333 000	(6 732 000)	5 601 000	Improved recovery of consumer debtors
Other Receivables	3 610 000	(786 000)	2 824 000	
Current portion of long-term receivables	45 000	16 000	61 000	
Inventory		16 563 000	16 563 000	Correction of error in previous budget in terms of sec .28 (2) (f) of the MFMA
Total current assets	15 988 000	16 283 000	32 271 000	
Non current assets				
Long-term receivables	413 000	(199 000)	214 000	
Investment property	17 509 000	7 805 000	25 314 000	Correction of error in previous budget in terms of sec .28 (2) (f) of the MFMA
Property, plant and equipment	279 312 000	(29 865 000)	249 447 000	Correction of error in previous budget in terms of sec .28 (2) (f) of the MFMA
Intangible Assets	81 000	(26 000)	55 000	
Heritage Assets	-	3 688 000	3 688 000	Correction of error in previous budget in terms of sec .28 (2) (f) of the MFMA
Total non current assets	297 316 000	(18 596 000)	278 719 000	
TOTAL ASSETS	313 304 000	(2 313 000)	310 990 000	
LIABILITIES				
Current liabilities				
Bank overdraft	3 727 000	(3 727 000)		Correction of error in previous budget in terms of sec .28 (2) (f) of the MFMA
Borrowing	1 995 000	47 000	2 042 000	
Consumer deposits	1 184 000	28 000	1 212 000	
Trade and other payables	20 543 000	5 013 000	25 556 000	Correction of error in previous budget in terms of sec .28 (2) (f) of the MFMA
Provisions and Employee Benefits	7 509 000	(3 282 000)	4 227 000	Correction of error in previous budget in terms of sec .28 (2) (f) of the MFMA
Total current liabilities	34 958 000	(1 921 000)	33 036 000	
Non current liabilities				
Borrowing	52 917 000	(20 623 000)	32 294 000	Correction of error in previous budget in terms of sec .28 (2) (f) of the MFMA
Provisions and Employee Benefits	55 060 000	(21 731 000)	33 329 000	Correction of error in previous budget in terms of sec .28 (2) (f) of the MFMA
Total non current liabilities	107 977 000	(42 354 000)	65 623 000	
TOTAL LIABILITIES	142 935 000	(44 276 000)	98 659 000	
NET ASSETS	170 369 000	41 962 000	212 331 000	
COMMUNITY WEALTH				
Accumulated Surplus/(Deficit)	166 244 000	42 110 000	208 354 000	Correction of error in previous budget in terms of sec .28 (2) (f) of the MFMA
Reserves	4 125 000	(148 000)	3 977 000	
TOTAL COMMUNITY WEALTH/EQUITY	170 369 000	41 962 000	212 331 000	

SWELLENDAM LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2014

COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET

	2014 R (Actual)	2014 R (Final Buget)	2014 R (Variance)	Explanations for material variances (Amounts above R1.97 million)
REVENUE BY SOURCE				
Property rates	25 223 225	27 492 000	2 268 775	Lower values in the new implemented general valuation
Service charges	77 259 422	90 357 000	13 097 578	Change in the application of revenue forgone
Rental of facilities and equipment	1 214 690	988 000	(226 690)	
Interest earned - external investments	661 663	400 000	(261 663)	
Interest earned - outstanding debtors	635 918	1 260 000	624 082	
Actuarial Gains	235 133		(235 133)	
Fines	15 303 084	3 319 000	(11 984 084)	First time recognition of provision for unpaid fines
Licences and permits	1 341 966	1 000	(1 340 966)	
Agency services	1 148 440	1 914 000	765 560	
Government Grants and Subsidies - Operating	47 832 182	56 573 000	8 740 818	Unspent Housing Grants
Other revenue	21 271 010	963 000	(20 308 010)	Prospective application of an adjustment to landfill site rehabilitation due to a re-estimation
Gains on disposal of PPE	20 000		(20 000)	
Total Operating Revenue	192 146 732	183 266 000	(8 879 732)	
EXPENDITURE BY TYPE				
Employee related costs	54 094 140	57 717 000	3 622 860	Saving on vacancies not filled
Remuneration of councillors	3 298 424	3 373 000	74 576	
Debt impairment	9 011 271	4 637 000	(4 374 271)	Additional impairment on traffic fines in terms of first time recognition in terms of i GRAP 1
Depreciation & asset impairment	24 471 231	6 002 000	(18 469 231)	Asset impairments on Land and Buildings and Investment properties due to decreased values in General Valuation
Finance charges	6 005 681	6 742 000	736 319	
Actuarial losses	806 168		(806 168)	
Bulk purchases	36 750 814	39 450 000	2 699 186	Decrease in purchase of electricity units
Grants and subsidies paid	1 494 500	1 412 000	(82 500)	
Stock Adjustments	2 623 118		(2 623 118)	Impairments in land value of inventory - plots for sale
Other expenditure	56 822 485	72 035 000	15 212 515	Housing Grants not received and decrease in spending of repairs and maintenance
Loss on disposal of PPE	175 470	-	(175 470)	
Total Operating Expenditure	195 553 302	191 367 000	(4 185 302)	
Operating Deficit for the year	(3 406 569)	(8 101 000)	4 694 431	
Government Grants and Subsidies - Capital	18 788 889	28 242 000	(9 453 111)	Grants not received and unspent grants
Net Surplus for the year	15 382 320	20 141 000	(4 758 680)	

SWELLENDAM LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2014

ADJUSTMENTS TO APPROVED BUDGET

	2014 R (Approved Budget)	2014 R (Adjustments)	2014 R (Final Budget)	Reasons for material adjustments (Amounts above R1.97 million)
REVENUE BY SOURCE				
Property rates	25 472 000	2 020 000	27 492 000	Correction of error in previous budget in terms of sec .28 (2) (f) of the MFMA
Property rates - penalties & collection charges		-	-	
Service charges	84 605 000	5 752 000	90 357 000	Correction of error in previous budget in terms of sec .28 (2) (f) of the MFMA
Rental of facilities and equipment	1 004 000	(16 000)	988 000	
Interest earned - external investments	300 000	100 000	400 000	
Interest earned - outstanding debtors	1 635 000	(375 000)	1 260 000	
Dividends received		-	-	
Fines	1 769 000	1 550 000	3 319 000	
Licences and permits	1 000	-	1 000	
Agency services	1 919 000	(5 000)	1 914 000	
Government Grants and Subsidies - Operating	52 908 000	3 665 000	56 573 000	Correction of error in previous budget in terms of sec .28 (2) (f) of the MFMA
Other revenue	1 140 000	(177 000)	963 000	
Gains on disposal of PPE		-	-	
Total Operating Revenue	170 753 000	12 514 000	183 266 000	
EXPENDITURE BY TYPE				
Employee related costs	56 061 000	1 656 000	57 717 000	
Remuneration of councillors	3 000 000	373 000	3 373 000	
Debt impairment	4 637 000	-	4 637 000	
Depreciation & asset impairment	6 002 000	-	6 002 000	
Finance charges	7 386 000	(644 000)	6 742 000	
Bulk purchases	37 410 000	2 040 000	39 450 000	Correction of error in previous budget in terms of sec .28 (2) (f) of the MFMA
Grants and subsidies paid	1 390 000	22 000	1 412 000	
Other expenditure	62 531 000	9 504 000	72 035 000	Correction of error in previous budget in terms of sec .28 (2) (f) of the MFMA
Loss on disposal of PPE		-	-	
Total Operating Expenditure	178 417 000	12 951 000	191 367 000	
Operating Deficit for the year	(7 664 000)	(437 000)	(8 101 000)	
Government Grants and Subsidies - Capital	37 342 000	(9 100 000)	28 242 000	Correction of error in previous budget in terms of sec .28 (2) (f) of the MFMA
Net Surplus/(Deficit) for the year	29 676 000	(9 537 000)	20 141 000	

SWELLENDAM LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2014

COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET

	2014 R (Actual)	2014 R (Final Buget)	2014 R (Variance)	Explanations for material variances
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	137 778 434	124 624 000	(13 154 434)	Increase in recovery of receivables and VAT receivable
Government - operating	48 644 018	56 573 000	7 928 982	Decrease in housing Grant
Government - capital	18 788 889	28 242 000	9 453 111	Decrease in housing Grant
Interest	1 297 581	1 660 000	362 419	
Payments			-	
Suppliers and Employees	(179 158 421)	(169 245 407)	9 913 014	Increase in payments of year end creditors
Finance charges	(6 005 681)	(6 742 000)	(736 319)	
Transfers and Grants	(1 494 500)	(1 412 000)	82 500	
NET CASH FROM/(USED) OPERATING ACTIVITIES	19 850 320	33 699 593	13 849 273	
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of Assets	20 000	-	(20 000)	
Decrease/(increase) in non-current receivables	61 343	72 000	10 657	
Payments			-	
Capital assets	(21 284 705)	(29 630 000)	(8 345 295)	Decrease in capital spending due to Grants not received
NET CASH FROM/(USED) INVESTING ACTIVITIES	(21 203 362)	(29 558 000)	(8 354 638)	
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Borrowing	204 988		(204 988)	
Increase/(decrease) in consumer deposits	117 193	60 000	(57 193)	
Payments			-	
Repayment of borrowing	(2 062 167)	(2 000 000)	62 167	
NET CASH FROM/(USED) FINANCING ACTIVITIES	(1 739 987)	(1 941 000)	(200 013)	
NET INCREASE/(DECREASE) IN CASH HELD	(3 093 029)	2 200 593	5 294 622	
Cash and Cash Equivalents at the beginning of the year	5 019 646	5 020 000	354	
Cash and Cash Equivalents at the end of the year	1 926 617	7 221 000	5 294 383	Decrease in Cash due to decrease in Creditors

SWELLENDAM LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2014

ADJUSTMENTS TO APPROVED BUDGET

	2014 R (Approved Budget)	2014 R (Adjustments)	2014 R (Final Budget)	Reasons for material adjustments
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	115 908 000	8 716 000	124 624 000	Correction of error in previous budget in terms of sec .28 (2) (f) of the MFMA
Government - operating	52 908 000	3 665 000	56 573 000	Correction of error in previous budget in terms of sec .28 (2) (f) of the MFMA
Government - capital	38 442 000	(10 200 000)	28 242 000	Correction of error in previous budget in terms of sec .28 (2) (f) of the MFMA
Interest	1 935 000	(275 000)	1 660 000	
Payments		-		
Suppliers and Employees	(167 991 000)	(1 254 407)	(169 245 407)	
Finance charges	(7 386 000)	644 000	(6 742 000)	
Transfers and Grants	(1 390 000)	(22 000)	(1 412 000)	
NET CASH FROM/(USED) OPERATING ACTIVITIES	32 426 000	1 273 593	33 699 593	
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of Assets		-	-	
Decrease/(increase) in non-current receivables		72 000	72 000	
Decrease/(increase) in non-current investments		-	-	
Payments		-		
Capital assets	(58 442 000)	28 812 000	(29 630 000)	Correction of error in previous budget in terms of sec .28 (2) (f) of the MFMA
NET CASH FROM/(USED) INVESTING ACTIVITIES	(58 442 000)	28 884 000	(29 558 000)	
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Borrowing	20 000 000	(20 000 000)	-	Correction of error in previous budget in terms of sec .28 (2) (f) of the MFMA
Increase/(decrease) in consumer deposits	83 000	(23 000)	60 000	
Payments		-		
Repayment of borrowing	(1 995 000)	(5 000)	(2 000 000)	Correction of error in previous budget in terms of sec .28 (2) (f) of the MFMA
NET CASH FROM/(USED) FINANCING ACTIVITIES	18 088 000	(20 028 000)	(1 941 000)	
NET INCREASE/(DECREASE) IN CASH HELD	(7 928 000)	10 129 593	2 200 593	
Cash and Cash Equivalents at the beginning of the year	4 202 000	818 000	5 020 000	
Cash and Cash Equivalents at the end of the year	3 726 000	3 495 000	7 221 000	Correction of error in previous budget in terms of sec .28 (2) (f) of the MFMA

INSERT ACCOUNTING POLICY

		2014 R	2013 R
2	**NET ASSET RESERVES**		
	Housing Development Fund	3 947 333	3 976 740
	Total Net Asset Reserves	**3 947 333**	**3 976 740**
3	**LONG-TERM LIABILITIES**		
	Annuity Loans - At amortised cost	33 984 556	35 671 936
	Capitalised Lease Liability - At amortised cost	475 364	499 804
	Hire Purchases Liability	18 976	164 336
		34 478 896	**36 336 076**
	Current Portion transferred to Current Liabilities	**2 109 831**	**2 000 141**
	Annuity Loans - At amortised cost	1 840 811	1 687 656
	Capitalised Lease Liability - At amortised cost	250 044	167 125
	Hire Purchases	18 976	145 360
		32 369 065	**34 335 935**
	Total Long-term Liabilities - At amortised cost using the effective interest rate method	**32 369 065**	**34 335 935**

Annuity loans at amortised cost consist of 9 contracts with DBSA, calculated at interest rates, ranging between 8.075% and 15.9%,with a maturity date of 30 June 2015 of the last contract. The loans are unsecured.

The obligations under annuity loans are scheduled below:		**Minimum annuity payments**	
Amounts payable under annuity loans:			
Payable within one year		5 591 582	5 596 869
Payable within two to five years		20 308 990	21 268 304
Payable after five years		43 270 349	47 239 382
		69 170 921	74 104 555
Less:	Future finance obligations	(35 186 640)	(38 432 619)
Present value of annuity obligations		**33 984 280**	**35 671 937**

The obligations under finance leases are scheduled below:		**Minimum lease payments**	
Amounts payable under finance leases:			
Payable within one year		281 419	203 197
Payable within two to five years		234 531	359 505
Payable after five years			-
		515 951	562 702
Less:	Future finance obligations	(40 586)	(62 898)
Present value of lease obligations		**475 364**	**499 804**

Leases are secured by property, plant and equipment - Note 13

The capitalised lease liability consist out of the contracts as setout in Appendix B

The obligations under hire purchase agreements are scheduled below:		**Minimum Hire Purchase payments**	
Amounts payable under hire purchase agreements:			
Payable within one year		19 068	155 302
Payable within two to five years			19 068
Payable after five years		-	-
		19 068	174 370
Less:	Future finance obligations	(92)	(10 034)
Present value of hire purchase obligations		**18 976**	**164 336**

		2014 R	2013 R
4	**EMPLOYEE BENEFITS**		
	Post Retirement Benefits - Refer to Note 4.1	24 685 769	21 556 031
	Long Service Awards - Refer to Note 4.2	1 988 851	1 978 881
	Total Non-current Employee Benefit Liabilities	**26 674 620**	**23 534 912**

		2014 R	2013 R
	Post Retirement Benefits		
	Balance 1 July	22 061 929	18 704 246
	Contribution for the year	1 049 783	897 282
	Interest Cost	1 846 625	1 454 843
	Expenditure for the year	(554 768)	(524 278)
	Actuarial Loss	806 168	1 529 836
	Total post retirement benefits 30 June	**25 209 737**	**22 061 929**
	Less: Transfer of Current Portion - Note 7	(523 968)	(505 898)
	Balance 30 June	**24 685 769**	**21 556 031**
	Long Service Awards		
	Balance 1 July	2 225 611	1 636 016
	Contribution for the year	285 596	200 898
	Interest Cost	154 393	101 978
	Expenditure for the year	(184 645)	(148 712)
	Actuarial Gain/(Loss)	(235 133)	435 431
	Total long service 30 June	**2 245 822**	**2 225 611**
	Less: Transfer of Current Portion - Note 7	(256 971)	(246 730)
	Balance 30 June	**1 988 851**	**1 978 881**

TOTAL NON-CURRENT EMPOLYEE BENEFITS

Balance 1 July	24 287 540	20 340 262
Contribution for the year	1 335 379	1 098 180
Interest cost	2 001 018	1 556 821
Expenditure for the year	(739 413)	(672 990)
Actuarial Loss/(Gain)	571 035	1 965 267
Total employee benefits 30 June	**27 455 559**	**24 287 540**
Less: Transfer of Current Portion - Note 7	(780 939)	(752 628)
Balance 30 June	**26 674 620**	**23 534 912**

4 EMPLOYEE BENEFITS (CONTINUE)

4.1 Post Retirement Benefits

The Post Retirement Benefit Plan is a defined benefit plan, of which the members are made up as follows:

In-service (employee) members	98	103
In-service (employee) non-members	82	95
Continuation members (e.g. Retirees, widows, orphans)	16	17
Total Members	**196**	**215**

The liability in respect of past service has been estimated to be as follows:

In-service members	14 735 442	12 382 625
In-service non- members	3 289 943	2 755 028
Continuation members	7 184 352	6 924 276
Total Liability	**25 209 737**	**22 061 929**

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2013 R	**2012 R**	**2011 R**
	22 061 929	18 704 246	17 111 000
Total Liability	**22 061 929**	**18 704 246**	**17 111 000**

Experience adjustments were calculated as follows:	**2014 Rm**	**2013 Rm**	**2012 Rm**
Liabilities: loss	0.81	1.53	(0.24)

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

Bonitas;
LA Health
Keyhealth.
Hosmed
Samwu

Key actuarial assumptions used:	**2014 %**	**2013 %**
i) Rate of interest		
Discount rate	9.19%	8.47%
Health Care Cost Inflation Rate	8.32%	7.37%
Net Effective Discount Rate	0.80%	1.02%

The discount rate used is a composite of all government bonds and is calculated using a technique known as "bootstrapping"

ii) Mortality rates

The PA 90 ultimate table, rated down by 1 year of age was used by the actuaries.

	2014 R	2013 R
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	24 685 769	21 556 031
Total Liability	**24 685 769**	**21 556 031**

The entire fund is unfunded.

The municipality has elected to recognise the full increase in this defined benefit liability immediately as per IAS 19, Employee Benefits, paragraph 155 (a).

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year	22 061 929	18 704 246
Total expenses	2 341 640	1 827 847
Current service cost	1 049 783	897 282
Interest Cost	1 846 625	1 454 843
Benefits Paid	(554 768)	(524 278)
Actuarial (gains)/losses	806 168	1 529 836
Present value of fund obligation at the end of the year	25 209 737	22 061 929
Less: Transfer of Current Portion - Note 7	(523 968)	(505 898)
Balance 30 June	**24 685 769**	**21 556 031**

Sensitivity Analysis on the Accrued Liability

Assumption	**Continuation members liability (Rm)**	**% change**
Central Assumptions		

The effect of movements in the assumptions are as follows:

Assumption	**Change**	**Continuation members liability (Rm)**	**% change**
Health care inflation	1%	7.935	18%
Health care inflation	-1%	6.531	-14%
Post-retirement mortality	-1 year	7.479	4%

Assumption	**Change**	**Current-service Cost (R)**	**Interest Cost (R)**	**Total (R)**	**% change**
Central Assumption		1 049 800	1 846 600	2 896 400	
Health care inflation	1%	1 290 500	2 170 500	3 461 000	19%
Health care inflation	-1%	861 800	1 585 300	2 447 100	16%
Post-retirement mortality	-1 year	1 083 300	1 911 800	2 995 100	3%

		2014	2013
4.2	**Long Service Bonuses**		
	As at year end, the following number of employees were eligible for Long Service Bonuses.	231	238
	Key actuarial assumptions used:	**2014 %**	**2013 %**
i)	**Rate of interest**		
	Discount rate	7.99%	7.34%
	General Salary Inflation (long-term)	7.15%	6.82%
	Net Effective Discount Rate applied to salary-related Long Service Bonuses	0.78%	0.49%

The Long Service Bonus plans are defined benefit plans.

The discount rate used is a composite of all government bonds and is calculated using a technique known as "bootstrapping"

	2014 R	2013 R
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	2 245 822	2 225 611
Net liability	**2 245 822**	**2 225 611**

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2012 R	2011 R	2010 R
Total Liability	**1 636 016**	**1 639 367**	**888 137**

Experience adjustments were calculated as follows:	2014	2013	2012
Liabilities: (Gain) / loss	(235 133)	546 207	188 576

Reconciliation of present value of fund obligation:	2014	2013
Present value of fund obligation at the beginning of the year	2 225 611	1 636 016
Total expenses	255 344	154 164
Current service cost	285 596	200 898
Interest Cost	154 393	101 978
Benefits Paid	(184 645)	(148 712)
Actuarial (gains)/losses	(235 133)	435 431
Present value of fund obligation at the end of the year	2 245 822	2 225 611
Less: Transfer of Current Portion - Note 7	(256 971)	(246 730)
Balance 30 June	**1 988 851**	**1 978 881**

Sensitivity Analysis on the Unfunded Accrued Liability

Assumption	**Change**		**Liability (Rm)**	**% change**
Central assumptions		R	2.246	
General salary inflation	1%	R	2.391	6%
General salary inflation	-1%	R	2.113	-6%
Average retirement age	-2 yrs	R	1.805	-20%
Average retirement age	2 yrs	R	2.622	17%
Withdrawal rates	-50%	R	2.664	19%

4.3 Retirement funds

The Municipality requested detailed employee and pensioner information as well as information on the Municipality's share of the Pension and Retirement Funds' assets from the fund administrator. The fund administrator confirmed that assets of the Pension and Retirement Funds are not split per participating employer. Therefore, the Municipality is unable to determine the value of the plan assets as defined in GRAP 25.

As part of the Municipality's process to value the defined benefit liabilities, the Municipality requested pensioner data from the fund administrator. The fund administrator claim that the pensioner data to be confidential and was not willing to share the information with the Municipality. Without detailed pensioner data the Municipality was unable to calculate a reliable estimate of the accrued liability in respect of pensioners who qualify for a defined benefit pension.

Therefore, although the Cape Joint Retirement Fund is a Multi Employer fund defined as defined benefit plan, it will be accounted for as defined contribution plan. All the required disclosures have been made as defined in GRAP 25.31.

CAPE RETIREMENT FUND	2014 R	2013 R
The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2013 revealed that the fund is in a sound financial position with a funding level of 105.1% (30 June 2012 - 108%).		
Contributions paid recognised in the Statement of Financial Performance	3 167 428	3 310 710

DEFINED CONTRIBUTION FUNDS

Council contribute to the SAMWU National Provident Fund which are defined contribution funds. The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current

service costs.

Contributions paid recognised in the Statement of Financial Performance

Municipal Councillors Pension Fund	101 674	105 519
SAMWU National Provident Fund	1 759 325	1 661 076
	1 860 999	1 766 595

		2014 R	2013 R
5	**NON-CURRENT PROVISIONS**		
	Provision for Rehabilitation of Landfill-sites	**3 488 822**	**17 633 373**
	Landfill Sites		
	Balance 1 July	22 482 866	22 121 491
	Unwinding of discounted interest	(16 124 433)	361 375
	Total provision 30 June	**6 358 433**	**22 482 866**
	Less: Transfer of Current Portion to Current Provisions - Refer to note 8	(2 869 611)	(4 849 493)
	Balance 30 June	**3 488 822**	**17 633 373**

The estimated rehabilitation costs for each of the existing sites are based on the current rates for construction costs. The assumptions used are as follows:

	Malgas	Swellendam	Infanta	Suurbraak	Barrydale
Rehabilitation area (m²)	28500m²	61700m²	330m²	5400m²	5600m²
Available capasity	0%	66.87%	0%	0%	0%
Engineering Design	R 100 403	R 428 452	R 78 093	89 903	84 008
Assesment Process -Permit for closure	R 262 417	R 262 417	R 262 417	262 417	262 417
Closure Plan	R 142 142	R 142 142	R 142 142	142 142	142 142
Earthworks		R 288 288	R 3 604	16 380	10 003
Capping material	R 138 748	R 1 153 680	R 14 421	65 550	40 029
Stormwater Drainage		R 52 435			
Berm for waste containment		R 419 501			
Preliminary and General	R 108 661	R 463 692	R 84 517	97 298	90 918
Contingencies	R 65 197	R 278 215	R 50 710	58 379	54 551

The municipality has an obligation to rehabilitate landfill sites at the end of the expected usefull life of the asset. Total cost and estimated date of decommission of the sites are as follows:

Location	Estimated decommission date	Cost of rehabilitation 2014	Cost of rehabilitation 2013 R
Malgas	2013	817 568	2 651 683
Swellendam	2033	3 488 822	17 633 372
Infanta	2013	635 905	567 492
Suurbraak	2013	732 069	799 108
Barrydale	2013	684 069	831 210
		6 358 433	22 482 865

The large changes in the estimated cost to rehabilitate the landfill sites is due to latest more reliable information

6 CONSUMER DEPOSITS

Water & Electricity	1 269 296	1 152 103
Total Consumer Deposits	**1 269 296**	**1 152 103**
Guarantees held in lieu of Electricity and Water Deposits	-	-

The fair value of consumer deposits approximate their carrying value. Interest are not paid on these amounts.

7 CURRENT EMPLOYEE BENEFITS

Current Portion of Post Retirement Benefits - Note 4	523 968	505 898
Current Portion of Long-Service Provisions - Note 4	256 971	246 730
Provision for Staff Leave	3 160 631	2 855 308
Staff Bonuses accrued	1 024 965	962 824
Provision for Pension fund shortages	362 232	328 772
Provision for Performance Bonuses	521 700	-
Total Current Employee Benefits	**5 850 466**	**4 899 532**

The movement in current employee benefits are reconciled as follows:

Provision for Staff Leave

Balance at beginning of year	2 855 308	2 200 418
Contribution to current portion	490 357	940 911
Expenditure incurred	(185 034)	(286 021)
Balance at end of year	**3 160 631**	**2 855 308**

Staff leave accrued to employees according to a collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave. There is no possibility of reimbursement.

Staff Bonuses accrued

Balance at beginning of year	962 824	868 369
Contribution to current portion	2 320 597	2 230 577
Expenditure incurred	(2 258 456)	(2 136 122)
Balance at end of year	**1 024 965**	**962 824**

Bonuses are being paid to all municipal staff, excluding section 57 Managers. The balance at year end represent to portion of the bonus that have already vested for the current salary cycle. There is no possibility of reimbursement.

Provision for Pension fund shortages

Balance at beginning of year	328 772	215 906
Contribution to current portion	33 460	112 866
Expenditure incurred	-	-
Balance at end of year	**362 232**	**328 772**

It was reported that the established investment return of the fund for the past financial year was -0.94%. Local authorities, associated with the fund are under an obligation to contribute pro-rata to the fund such a sum as will make up for any shortfall between the actual earnings and an investment return of 5.5% on all its assets.

Performance Bonuses

Balance at beginning of year	-	-
Contribution to current portion	521 700	-
Expenditure incurred	-	-
Balance at end of year	**521 700**	**-**

Performance bonuses are being paid to the Municipal Manager and Directors after an evaluation of performance by the council. There is no possibility of reimbursement.

8 PROVISIONS

Current Portion of Rehabilitation of Landfill-sites - Note 4	2 869 611	4 849 493
Total Provisions	**2 869 611**	**4 849 493**

9 PAYABLES FROM EXCHANGE TRANSACTIONS	**2014 R**	**2013 R**
Trade Payables	6 894 220	10 206 982
Accrued interest	684 196	698 658
Pre-Paid Electricity	271 177	290 660
Retentions and Guarantees	3 690 808	3 693 116
Other: Deposits	110 923	579 024
Debtors paid in advance	1 733 171	2 751 180
Other payables	364 270	271 095
Total Trade Payables	**13 748 766**	**18 490 715**

Payables are being recognised net of any discounts.

Payables are being paid within 30 days as prescribed by the MFMA. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other payables on initial recognition is not deemed necessary

The carrying value of trade and other payables approximates its fair value.

All payables are unsecured.

Sundry deposits include hall, builders and housing Deposits.

The arrear portion of long term liabilities originated as a result of the municipality not settling in full the current portion of the annuity loan as disclosed in note 3.1.

10 UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS

Unspent Grants		4 882 613	4 070 775
	National Government Grants	-	-
	Provincial Government Grants	4 791 644	3 970 423
	Other Grant Providers	90 971	100 352
Less:	Unpaid Grants	0	-
	National Government Grants	0	
	Provincial Government Grants	-	
	Other Grant Providers	-	
Total Conditional Grants and Receipts		**4 882 614**	**4 070 775**

See appendix "D" for reconciliation of grants from other spheres of government. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld.

Unspent grants can mainly be attributed to projects that are work in progress on the relevant financial year-ends.

11 UNSPENT PUBLIC CONTRIBUTIONS

Description of unspent contribution	-	-
Description of unspent contribution	-	-
Total Unspent Public Contributions	-	-

Reconciliation of public contributions

Description of unspent contribution

Opening balance	-	-
Contributions received	-	-
Conditions met - Transferred to revenue	-	-
Closing balance	-	-

Brief description of contribution and conditions attached

Description of unspent contribution

Opening balance	-	-
Contributions received	-	-
Conditions met - Transferred to revenue	-	-
Closing balance	-	-

Brief description of contribution and conditions attached

12 TAXES

12.1 VAT PAYABLE

VAT Payable	-	-
VAT output in suspense	-	-
Total Vat payable	-	-

12.2 VAT RECEIVABLE

VAT input in suspense	5 359 802	2 241 053
Total VAT receivable	**5 359 802**	**2 241 053**

12.3 NET VAT RECEIVABLE/(PAYABLE) **5 359 802** **2 241 053**

VAT is receivable/payable on the cash basis.

13 PROPERTY, PLANT AND EQUIPMENT

See attached sheet

		2014	2013
13	**Assets pledged as security:**		
	All the assets obtained by financial leases are pleged as security.		
	Carring value of these assets :	461 033	502 450
	Third party payments received for losses incurred:		
	Payments received (Excluding VAT)	40 287	-
	Carrying value of assets written off/lost	57 709	12 845
	Deficit/Surplus	**17 422**	**12 845**
	Impairment of property plant and equipment for the year		
	Impairment charges on Property, plant and equipment recognised in statement of financial performance		
	Infrastructure	-	3 507
	Land and Buildings	8 185 800	-
	Community Assets	800 052	
		8 985 852	**3 507**

Effect of changes in accounting estimates-changes in usefull lives

	Depreciation before changes	Depreciation after changes
Intangible Assets	-12 642	10 785
Infrastructure	4 506 032	6 235 055
Other Assets	1 778 785	1 677 158

		2014 R	2013 R
14	**INVESTMENT PROPERTY**		
	Net Carrying amount at 1 July	**25 198 913**	**25 244 832**
	Cost	25 422 019	25 422 019
	Under Construction		
	Accumulated Depreciation	(223 106)	(177 187)
	Accumulated Impairment	-	-
	Acquisitions	-	-
	Disposals	-	-
	Depreciation for the year	(79 067)	(45 919)
	Impairment	(6 797 711)	-
	Transfers from Heratige Assets	1 455 144	-
	Net Carrying amount at 30 June	**19 777 280**	**25 198 913**
	Cost	26 877 164	25 422 019
	Accumulated Depreciation	(302 173)	(223 106)
	Accumulated Impairment	(6 797 711)	-
	Impairment charges on Investment Properties recognised in statement of financial performance	6 797 711	-

There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal.

There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

	Revenue derived from the rental of investment property	1 196 938	777 167
	Operating expenditure incurred on properties generating revenue	473 602	437 606

		2014 R	2013 R
15	**INTANGIBLE ASSETS**		
	Computer Software		
	Net Carrying amount at 1 July	**71 169**	**100 183**
	Cost.	373 239	362 476
	Accumulated Amortisation	(302 070)	(262 293)
	Accumulated Impairment		
	Additions	27 352	10 763
	Amortisation	(19 726)	(39 777)
	Impairments	-	-
	Disposals	-	-
	Net Carrying amount at 30 June	**78 795**	**71 170**
	Cost	400 591	373 239
	Accumulated Amortisation	(321 796)	(302 070)
	Accumulated Impairment	-	-

The following material intangible assets are included in the carrying value above

Description	Remaining Amortisation Period	Carrying Value 2014 R	Carrying Value 2013 R
Microsoft Office and Windows software	5-'10 years	78 795	71 170

No intangible asset assessed having an indefinite useful life.

There are no internally generated intangible assets at reporting date.

There are no intangible assets whose title is restricted.

There are no intangible assets pledged as security for liabilities

There are no contractual commitments for the acquisition of intangible assets.

		2014 R	2013 R
16	**HERITAGE ASSETS**		

Net Carrying amount at 1 July	**3 453 349**	**3 392 205**
Acquisitions		61 144
Disposals	-	-
Impairments	(178 000)	-
Reversal of Impairment losses	-	-
Transfers to Investment Properties	(1 455 144)	-
Net Carrying amount at 30 June	**1 820 205**	**3 453 349**
Cost	1 998 205	1 588
Accumulated Impairment	(178 000)	-

There are no restrictions on the realisability of Heritage Assets or the remittance of revenue and proceeds of disposal.

There are no contractual obligations to purchase, construct or develop Heritage Assets or for repairs, maintenance or enhancements.

There are no Heritage Assets pledged as security for liabilities

17 CAPITALISED RESTORATION COST

Net Carrying amount at 1 July	**464 543**	**693 009**
Depreciation	(24 450)	(183 477)
Impairment	(7 333)	(44 989)
Net Carrying amount at 30 June	**432 758**	**464 543**
Cost..	7 096 327	7 096 327
Accumulated Depreciation..	(6 479 226)	(6 454 776)
Accumulated Impairments..	(184 343)	(177 010)
Refuse tip-sites financed by way of a provision recognised previously not recognised - Refer to note 5	**432 758**	**464 543**

18 LONG-TERM RECEIVABLES

		2014	2013
Housing Loan Scheme		286 222	347 565
		286 222	347 565
Less:	Current portion transferred to current receivables	68 874	61 283
	Housing Loan Scheme	68 874	61 283
		217 348	286 282
Less:	Provision for Impairment	-	-
Total Long Term Receivables		**217 348**	**286 282**

The carrying amount of these assets approximates their fair value.

HOUSING LOAN SCHEME

The outstanding amount relates to prior years and is still collectable. Housing loans attract interest at average 7% per annum and which are repayable over a maximum period of 20 years. These loans are redeemed June 2013. The housing loans are secured over the asset.

19 INVENTORY

Consumable Stores - Stationery and materials - At cost	1 180 848	1 172 973
Water – at cost	21 993	26 111
Unsold Plots - At cost	12 825 000	15 444 000
Total Inventory	**14 027 841**	**16 643 084**
Consumable stores materials written down due to losses as identified during the annual stores counts.	-	177

	Consumable stores materials surplusses identified during the annual stores counts.	-	-
	Inventory recognised as an expense during the year	989 322	806 222

No inventory assets were pledged as security for liabilities.

20 RECEIVABLES FROM EXCHANGE TRANSACTIONS

Electricity	8 334 192	9 199 758
Water	4 993 904	4 996 834
Refuse	3 203 657	3 135 942
Sewerage	5 231 051	5 228 304
Rentals	304 378	256 305
Sundry Receivables	1 681 823	1 543 230
Total Receivables from Exchange Transactions	**23 749 004**	**24 360 374**
Less: Allowance for Doubtful Debts	(16 078 604)	(16 160 832)
Total Net Receivables from Exchange Transactions	**7 670 400**	**8 199 542**

Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other receivables on initial recognition is not deemed necessary

Ageing of Receivables from Exchange Transactions:

(Electricity): Ageing

Current (0 - 30 days)	3 972 889	4 641 185
31 - 60 Days	720 873	460 146
61 - 90 Days	452 275	227 291
+ 90 Days	3 188 155	3 871 137
Total	**8 334 192**	**9 199 758**

(Water): Ageing

Current (0 - 30 days)	1 018 046	1 260 235
31 - 60 Days	344 727	280 468
61 - 90 Days	300 770	176 038
+ 90 Days	3 330 360	3 280 093
Total	**4 993 904**	**4 996 834**

(Refuse): Ageing

Current (0 - 30 days)	519 768	816 894
31 - 60 Days	231 751	117 090
61 - 90 Days	188 308	108 767
+ 90 Days	2 263 829	2 093 191
Total	**3 203 657**	**3 135 942**

(Sewerage): Ageing

Current (0 - 30 days)	850 015	1 378 298
31 - 60 Days	374 169	199 803
61 - 90 Days	307 395	151 932
+ 90 Days	3 699 472	3 498 272
Total	**5 231 051**	**5 228 304**

(Rentals): Ageing

Current (0 - 30 days)	23 906	34 306
31 - 60 Days	76 160	13 294
61 - 90 Days	60 593	9 392
+ 90 Days	143 718	199 314
Total	**304 378**	**256 305**

(Sundry): Ageing

Current (0 - 30 days)	183 067	213 411
31 - 60 Days	66 469	27 933
61 - 90 Days	36 409	28 873
+ 90 Days	1 395 878	1 273 013
Total	**1 681 823**	**1 543 230**

(Total): Ageing

Current (0 - 30 days)	6 567 692	8 344 329
31 - 60 Days	1 814 149	1 098 733
61 - 90 Days	1 345 750	702 293
+ 90 Days	14 021 413	14 215 019
Total	**23 749 004**	**24 360 374**

Reconciliation of Provision for Bad Debts

Balance at beginning of year	16 160 832	26 161 710
Contribution to provision/(Reversal of provision)	145 849	2 711 872
Bad Debts Written Off	(228 077)	(12 712 750)
Balance at end of year	**16 078 604**	**16 160 832**

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

21 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

	2014 R	2013 R
Rates	14 252 111	14 214 888
Other Receivables	11 842 844	177 214
Suspense Debtors	11 842 844	177 214
Total Receivables from Non-Exchange Transactions	**26 094 955**	**14 392 102**
Less: Allowance for Doubtful Debts	(21 366 436)	(14 074 767)
Total Net Receivables from Non-Exchange Transactions	**4 728 519**	**317 335**

Rates debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of rates debtors are not performed in terms of GRAP 104 on initial recognition.

Refer to note 18 for balances deferred beyond 12 months from year end.

Ageing of Receivables from Non-Exchange Transactions:

(Rates): Ageing

Current (0 - 30 days)	2 172 594	2 663 566
31 - 60 Days	595 893	412 399
61 - 90 Days	574 509	287 759
+ 90 Days	10 909 115	10 851 165
Total	**14 252 111**	**14 214 888**

Reconciliation of Provision for Bad Debts

Balance at beginning of year	14 074 767	13 227 249
Contribution to provision/(Reversal of provision)	(1 719 602)	1 785 261
Contribution to provision	9 011 271	
Bad Debts Written Off		(937 743)
Balance at end of year	**21 366 436**	**14 074 767**

The entire provision for bad debts relates to the outstanding rates balance.

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

22 OPERATING LEASE ARRANGEMENTS

The Municipality as Lessor (Asset)

Balance on 1 July	2 221	1 830
Movement during the year	17 752	391
Balance on 30 June	**19 973**	**2 221**

At the Statement of Financial Position date, where the municipality acts as a lessor under operating leases, it will receive operating lease income as follows:

Up to 1 Year	40 052	24 561
1 to 5 Years	56 775	53 605
More than 5 Years	7 606	19 871
Total Operating Lease Arrangements	**104 433**	**98 036**

This lease income was determined from contracts that have a specific conditional income.
The leases are in respect of land and buildings being leased out for periods ranging until June 2031

The municipality does not engage in any sub-lease arrangements.
The municipality did not pay any contingent rent during the year

23 CASH AND CASH EQUIVALENTS

Assets

Call Investments Deposits	-	1 127 493
Bank Accounts	1 922 667	3 888 703
Cash Floats	3 950	3 450
Total Cash and Cash Equivalents - Assets	**1 926 617**	**5 019 646**

Cash and cash equivalents comprise cash held and short term deposits. The carrying amount of these assets approximates their fair value.

Bank overdraft facility of R1 400 000 exists at FNB.

The municipality has the following bank accounts:

Current Accounts

Fist National Bank- Swellendam- Account number 53840005730-(Primary Account)	11 952 328	8 514 631
ABSA - Barrydale- Account Number 2390560039	2 848 656	946 658

Current Accounts

Cash book balance at beginning of year	3 888 703	5 668 207
Cash book balance at end of year	1 922 667	3 888 703
Bank statement balance at beginning of year	9 461 290	13 739 557
Bank statement balance at end of year	14 800 984	9 461 290

Call Investment Deposits

Call investment deposits consist out of the following accounts:

Standard Bank	(account nr 288800699)	-	1 123 947
ABSA	(account nr 9292563548)	-	
FNB	(account nr 62405165839)	-	3 547
		-	1 127 494

		2014 R	2013 R
24	**PROPERTY TAXES**		
	Actual		
	Rateable Land and Buildings	40 934 128	31 728 461
	Rateable Land and Buildings	40 934 128	31 728 461
	Less: Rebates	15 710 903	10 271 239
	Total Assessment Rates	**25 223 225**	**21 457 222**
	Valuations - 1 JULY 2014 (Plus Interim Valuations)		
	Rateable Land and Buildings		
	Residential Properties -Sec 8(2)(a)	2 598 385 950	
	Industrial Properties - Sec 8(2)(b)	62 970 000	
	Business and Commwecial Properties-Sec 8(2)(c)	394 443 000	
	Farm Agricultural Purposes - Sec 8(2)(d)(i)	2 487 563 323	
	Farm Commercial Purposes-Sec 8(2)(d)(ii)	68 276 000	
	Farm Residential Purposes-Sec 8(2)(d)(iii)	41 605 000	
	Farm Other Purposes - Sec 8(2)(d)(iv)	470 000	
	Farm Not use for any Purposes -Sec 8(2)(e)	18 485 000	
	Small Holdings Agricultural-Sec 8(2)(f)(i)	212 000	
	Small Holdings Residential Purposes-Sec 8(2)(f)(ii)	25 680 000	
	Small Holdings Busssiness Purposes-Sec 8(2)(f)(iii)	1 520 000	
	State Owned - Sec 8(2)(g)	201 735 000	
	Municipal Owned-Sec 8(2)(h)	163 302 500	
	Public Service Infrastructure -Sec 8(2)(i)	1 760 200	
	National Monuments- Sec 8(2)(p)	13 470 000	
	Public Benefit Organisations - Sec 8(2)(q)	85 527 500	
	Total Assessment Rates	**6 165 405 473**	**-**
	Valuations on land and buildings are performed every four years. The last valuation came into effect on 1 July 2013.		
	Rates:		
	Residential	0.71217c/R	0.64801c/R
	Commercial	0.71217c/R	0.64801c/R
	Agricultural	0.17804c?R	0.16200c/R
	Rates are levied annually and monthly. Monthly rates are payable by the 7th of the following month and annual rates are payable before 30 September. Interest is levied at the prime rate plus 1% on outstanding monthly rates.		
	Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.		
25	**GOVERNMENT GRANTS AND SUBSIDIES**		
	Unconditional Grants	**19 857 000**	**18 428 000**
	Equitable Share	19 857 000	18 428 000
	Conditional Grants	**46 764 071**	**51 093 068**
	Grants and donations	46 764 071	51 093 068
	Total Government Grants and Subsidies	**66 621 071**	**69 521 068**
	Government Grants and Subsidies - Capital	18 788 889	43 293 349
	Government Grants and Subsidies - Operating	47 832 182	26 227 719
		66 621 071	**69 521 068**
	Revenue recognised per vote as required by Section 123 (c) of the MFMA		
	Equitable share	19 857 000	18 428 000
	Corporate Services	1 428 754	
	Community Services	21 422 458	11 113 366
	Engineers Service	19 939 887	36 997 693
	Finance Service	3 972 971	2 982 008
		66 621 071	**69 521 068**
	The municipality does not expect any significant changes to the level of grants.		
25.1	**Equitable share**		

Opening balance	-	-
Grants received	19 857 000	18 428 000
Conditions met - Operating	(19 857 000)	(18 428 000)
Conditions still to be met	-	-

The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.

25.2 Expanded Public Works Program (EPWP)

Opening balance	-	262 000
Grants received	1 000 000	1 000 000
Conditions met - Operating	(1 000 000)	(1 262 000)
Conditions met - Capital	-	-
Conditions still to be met	-	-

Health subsidies was used fund primary health care services in the municipal area.

25.3 Local Government Financial Management Grant (FMG)

Opening balance	-	-
Grants received	1 400 000	1 250 000
Conditions met - Operating	(1 400 000)	(1 250 000)
Conditions met - Capital	-	
Conditions still to be met	-	-

The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns).

25.4 Municipal Systems Improvement Grant

Opening balance	-	-
Grants received	890 000	800 000
Conditions met - Operating	(890 000)	(800 000)
Conditions met - Capital	-	-
Conditions still to be met	-	-

The MSIG was used for building in-house capacity to perform municipal functions and stabilise institutional and governance systems.

25.5 Municipal Infrastructure Grant (MIG)

Opening balance	-	-
Grants received	11 042 000	11 125 000
Paid back to National Treasury	-	
Conditions met - Operating	(552 100)	(556 250)
Conditions met - Capital	(10 489 900)	(10 568 750)
Grant expenditure to be recovered	-	-

The grant was used to upgrade infrastructure in previously disadvantaged areas.

25.6 Housing Grants

Opening balance	1 292 982	3 328 776
Grants received	19 918 651	7 328 722
Conditions met - Operating	(17 288 959)	
Conditions met - Capital	-	(9 364 517)
Grant expenditure to be recovered	3 922 675	1 292 982

Housing grants was utilised for the development of erven and the erection of top structures.

25.7 Integrated National Electrification Grant

Opening balance	-	1 858 481
Grants received	-	
Conditions met - Operating	-	-
Conditions met - Capital	-	(1 858 481)
Conditions still to be met	-	-

The National Electrification Grant was used for electrical connections in previously disadvantaged areas.

25.8 Other Grants

Opening balance	2 777 795	1 413 502
Grants received	13 325 256	26 362 000
Interest receiced on Investments		
Grants paid back to National Treasury		
Transfers		435 362
Conditions met - Operating	(6 844 122)	(3 833 069)
Conditions met - Capital	(8 298 989)	(21 600 000)
Conditions still to be met	959 940	2 777 795

25.9 Total Grants

Opening balance	4 070 776	6 862 759
Grants received	67 432 907	66 293 722
Interest receiced on Investments	-	
Grants paid back to National Treasury	-	-
Transfers		435 362
Conditions met - Operating	(47 832 181)	(26 129 318)
Conditions met - Capital	(18 788 889)	(43 391 748)
Conditions still to be met/(Grant expenditure to be recovered)	**4 882 614**	**4 070 776**

Disclosed as follows:

Unspent Conditional Government Grants and Receipts	4 882 614	4 070 775
	4 882 614	**4 070 775**

26 SERVICE CHARGES

Electricity	54 250 136	48 549 093
Water	10 294 938	9 587 641
Refuse removal	6 739 746	6 133 468
Sewerage and Sanitation Charges	12 237 354	11 283 272
Other	19 030	14 100
	83 541 205	75 567 574
Less: Rebates	(6 281 783)	(5 885 830)
Total Service Charges	**77 259 422**	**69 681 745**

Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

27 OTHER INCOME

	-	-
Building Plans	524 324	477 816
Development Contribution	43 000	96 085
Hawkers Fees	11 569	16 849
Rezoning	185 337	153 690
Landfill sites Re- estimate	16 124 433	-
Other	4 382 349	2 015 020
Total Other Income	**21 271 010**	**2 759 460**

Sundry income represents sundry income such as building plans, sale of sundry items and fees for items not included under service charges (camping, fire brigade and impounding fees)

28 EMPLOYEE RELATED COSTS

Employee related costs - Salaries and Wages	33 854 833	31 629 265
Employee related costs - Contributions for UIF, pensions and medical aids	8 326 878	7 804 888
Travel, motor car, accommodation, subsistence and other allowances	3 862 783	3 639 262
Housing benefits and allowances	212 658	233 065
Overtime Payments	2 502 054	2 394 574
Long Service Awards	285 596	200 898
Post Retirement Medical	1 049 783	897 282
Performance bonuses	521 700	-
Bonus	2 320 597	2 230 576
Other	666 902	16 555
Staff Leave	490 357	940 911
Total Employee Related Costs	**54 094 140**	**49 987 276**

KEY MANAGEMENT PERSONNEL

Municipal Manager is appointed on a 5-year and all other Directors on a 5-year fixed contract. There are no post-employment or termination benefits payable to them at the end of the contract period.

REMUNERATION OF KEY MANAGEMENT PERSONNEL

Remuneration of the Municipal Manager - Mr C Africa		
Annual Remuneration	1 134 902	605 102
Car Allowance	60 000	110 336
Contributions to UIF, Medical, Pension Funds and Bargaining Council	13 702	119 937
Total	**1 208 604**	**835 375**
Remuneration of the Director Engineering Services - Mr EJ Wentzel		
Annual Remuneration	636 249	150 661
Travelling Allowance	102 272	36 488
Contributions to UIF, Medical, Pension Funds and Bargaining Council	149 962	9 470
Cellphone allowance	5 468	-
Total	**893 951**	**196 619**
Remuneration of the Director Community Services- (Vacant)		
Annual Remuneration	-	541 935
Travelling Allowance	-	82 810
Contributions to UIF, Medical, Pension Funds and Bargaining Council	-	107 603
Total	**-**	**732 348**
Remuneration of the Director Financial Services - Mr H Scleubush		
Annual Remuneration	531 341	528 486
Car Allowance	32 000	152 370
Contributions to UIF, Medical, Pension Funds and Bargaining Council	120 004	110 946
Cellphone allowance	5 469	-
Total	**688 814**	**791 802**
Remuneration of the Director Corporate Services - Mr D du Plessis		
Annual Remuneration	760 241	412 388
Car Allowance	78 000	45 500
Contributions to UIF, Medical, Pension Funds and Bargaining Council	123 218	71 659
Cellphone allowance	5 039	-
	966 498	**529 547**

29 REMUNERATION OF COUNCILLORS

Executive Mayor allowance	659 151	563 617
Deputy Executive Mayor allowance	532 214	446 753
Speaker allowance	532 214	454 483
Mayoral Committee Members allowances	500 480	427 200
Councillors allowances	1 074 365	874 470
Total Councillors' Remuneration	**3 298 424**	**2 766 523**

In-kind Benefits

The Executive Mayor and all the committee members are part-time. The Mayor is provided with secretarial support and an office at the cost of the Council.

30 DEBT IMPAIRMENT

Trade Receivables from exchange transactions - Note	145 849	
Trade Receivables from non-exchange transactions - Note	(1 719 602)	
Correction of over provision recognised as revenue	(1 573 753)	
Trade Receivables from exchange transactions - Note 20		2 378 835
Trade Receivables from non-exchange transactions - Note 21		1 785 261
Traffic Fines	9 011 271	-
Total Contribution to Debt Impairment	**9 011 271**	**4 164 096**

31 DEPRECIATION AND AMORTISATION

Property Plant and Equipment	8 379 090	6 731 361
Investment Property	79 067	45 919
Intangible Assets	19 726	39 777
Landfill Sites	24 450	183 477
	8 502 335	**7 000 534**

32 IMPAIRMENTS and WRITE OFFS

Landfill Sites	7 333	44 989
Property Plant & Equipment	8 985 852	3 507
Investment Properties	6 797 711	
Heritage Assets	178 000	
	15 968 896	**48 496**

33 FINANCE CHARGES

Long-term Liabilities	3 909 268	4 073 365
Finance leases	51 993	10 425
Hire Purchases	9 942	25 663
Post Employment Health	1 846 625	1 454 843
Landfill Sites	-	361 375
Pensionfund shortfall	33 460	112 866
Long service awards	154 393	101 978
Total finance charges	**6 005 681**	**6 140 514**

34 BULK PURCHASES

Electricity	36 750 814	33 991 785
Total Bulk Purchases	**36 750 814**	**33 991 785**

35 GRANTS AND SUBSIDIES

Swellendam Tourism	1 082 000	999 390
Lower Breede River Conservancy	412 500	247 500
Total Grants and Subsidies	**1 494 500**	**1 246 890**

36 OPERATING GRANT EXPENDITURE

Corporate Services	100 000	-
Community Services	17 534 023	346 568
Engineers Service	1 070 307	1 989 767
Municipal Manager	-	-
Finance Service	3 129 483	2 055 923
Total Operating grant expenditure	**21 833 813**	**4 392 258**

37 GENERAL EXPENSES

	2014 R	2013 R
Accounting Support	1 587 422	1 696 444
Audit Fees	3 747 616	3 011 127
Agency Fees	1 454 596	1 404 333
Bank Charges	560 202	485 868
Contractor Fees	884 743	251 680
Insurance	568 619	536 874
Legal Fees	110 138	1 037 300
Machinery Hire	585 417	712 608
Material & Stock	1 168 899	1 452 770
New Connections	136 315	212 660
Postage	508 803	562 204
Refuse bags	225 549	193 274
Rentals	71 480	211 811
Security	792 360	837 442
Stationery and Printing	518 860	580 759
Stormwater drainage	460 780	324 993
Subscription Fees	888 691	225 945
Subsistence and Travel	412 577	457 109
Telephone	1 335 398	1 296 660
Training	697 446	753 070
Workmens Compensation	358 820	352 155
Other	7 434 983	1 982 179
General Expenses	**24 509 714**	**18 579 265**

38 CORRECTION OF ERROR IN TERMS OF GRAP 3

	2013 R	2012 R

Prior year adjustments due to non-compliance with accounting policy and errors

38.1 **(i)** During the previous financial year a correction of error was made to rectify outstanding municipal accounts which have amounted to R1866159.40.It was afterwards found that numerous accounts were not municipal accounts, and therefore the previous correction of error has to be reversed with the following entries : (Dt) Debtor control accounts of Receivables from exchange transactions R 627995 and Receivables from non-exchange transactions R1238164 (Ct) Acc Surplus Prior years R961507 and Acc Surplus Current year R904652.39.

(ii) After a comprehensive investigation of the departmental accounts with balances, it was found that rates accounts originating as far back as 2009 were unpaid. The majority of those accounts are not rateable in terms of the latest valuation roll which was effective from 1 July 2013. This is now corrected and replace the transaction explained in paragraph 38.(1)(i) , above. The error is corrected with the following entries: (Dt) Acc Surplus - prior years and (Ct) Receivables from non-exchange transactior with R390224.45

(iii) Included under Receivables from non-exchange transactions is an amount of R435147.52 , which represents a debtor account which was created during the 2006/2007 financial year for a project performed by the municipality on behalf of a client. The account was erroneously levied because evidence of the payment was now made available with the result that the debtor account has to be retrospectively reversed with the following entries: (Dt) Acc Surplus -prior years and (Ct) Reivables from non-exchange transactions.

(iv) With the first time recognition of the liability for post employment benefits, the valuation was based only on the pensioned ex employees This was an error because all the existing employees which were employed on or before 29 January 2009 were all entiteld to the post employment benefit scheme.Employees employed after 29 January 2009 were all excluded due to a Council resolution in this regard. This error is now rectified with the following entries: (Dt) Acc Surplus prior years (2009-2012) R11409015 (Dt) Acc Surplus 2012/13 R3372539 (Cost R897282, Interest R959166 and Acturial losses R1516091), and (Ct) Employee Benefits (2009-2012) R11409015 (Ct) Employee Benefits 2012/13 R 3372539

(v) During 2013/14 numerous internal accounts were corrected which have resulted that the accounts have ended with credit balances. The credit amounts developed for amounts erroneously levied in 2013/14 (R66812.45) , 2012/13 (R55100.68), and prior years (R259379.57). The credit amounts for the previous years are now corrected with the following entries : (Ct) Acc Surplus - Prior years -R259379.57 (Ct) Acc Surplus Current year -R55100.68, and (Dt) Receivables from Exchange transactions (acc ZZZZ). The total for 2012/13 was for Services R6620.93, Rates R48454.86 and Penalties R24.89

(vi) During the financial year numerous corrections were done on property rates revenue due to errors, rebates etc.which impact retrospectivly. The errors are corrected with the following entries : (Dt) Acc Surplus- Prior years R1511853.23 (Dt) Acc Surplus -Current year R214084.99 and (Ct) Receivables from non exchange transactions R1725938.19

(vii) First time recognition of intangible assets after a reconciliation was done between the computers per asset count. This is now capitilized retrospectively to 01 July 2008 as a correction of error with the following entry: (Dt) Intangible assets R28 104.34 (Ct) Acc Suplus - prior years R28 104.34

(viii) Due to the first time recognitioning of intangible assets as set out in note **(vii)** above, the accumulated amortisation is rectified retrospectivly with the following entries: (Ct) Accumulated amortisation R12 171.78 and (Dt) Accumulated Surplus - Prior years R9363.27 and (Dt) Accumulated Surplus - current year R2 808.51.

(ix) First time recognitioning of inventory after the general valuation role was reconciled with the property list and deedsoffice information. This is now capitilized retrospectively to 01 July 2008 as a correction of entries with the following entry: (Dt) Inventory R80 000 (Cr) Acc Suprlus - Prior years R80 000

(x) First time recognitioning of Investment Property after the general valuation role was reconciled with the property list and deedsoffice information. This is now capitilized retrospectively to 01 July 2008 as a correction of entries with the following entry: (Dt) Investment property R273 683.75 (Cr) Acc Suprlus - Prior years R273 683.75

(xi) Due to the first time recognitioning of Investment Property as set out in note **(x)** above, the accumulated depreciation is rectified retrospectivly with the following entries: (Ct) Accumulated amortisation R5 520.44 and (Dt) Accumulated Surplus - Prior years R4 416.35 and (Dt) Accumulated Surplus - current year R1 104.09.

(xii) An error was found with Investment Property where two erven were erroneously included with the first -time recognition of Investment Property. This error is now retrospectively corrected with the following entries : (Dt) Acc Surplus - prior years R255 500, and (Ct) Investment Property R255 500.

(xiii) Due to the error on Investment Property as set out note **(xii)** above, the accumulated depreciation is rectified retrospectivly with the following entries: (Dt) Accumulated amortisation R1 070.72 and (Ct) Accumulated Surplus - Prior years R856.57 and (Ct) Accumulated Surplus - current year R214.14.

(xiv) An error was found with Investment Property where five erven were erroneously not split between land and buildings which have an effect on the accumualted depreciation charge. This error is correted retrospectively with the following entries: (Dt) Acc Surplus - prior years R103 448.83 (Dt) Acc Surplus -current year R25862.21, and (Ct) Accumulated depreciation R129 311.04

(xv) First time recognition of assets after the reconciliation between the general valuation roll, asset register and the deedsoffice information. This is now capitalized retrospectivly to 01 July 2008 as a correction of error with the following entries : (Dt) PPE - Land and Buildings R630 746.14 (Ct) Acc Surplus - Prior years R630 746.14

(xvi An error was found with PPE - Land and Buildings where five erven were erroneously not split between land and buildings which have an effect on the accumualted depreciation charge. This error is correted retrospectively with the following entries: (Dt) Acc Surplus - prior years R42 706 (Dt) Acc Surplus -current year R10 686.10 and (Ct) Accumulated depreciation R53 392.10.

(xvii) An error was found with PPE - Community Assets where three erven were erroneously not split between land and buildings which have an effect on the accumualted depreciation charge. This error is correted retrospectively with the following entries: (Dt) Acc Surplus - prior years R1 655 (Dt) Acc Surplus -current year R413. 62, and (Ct) Accumulated depreciation R2068.62.

(xviii) First time recognition of assets after the asset count and a reconciliation between the asset register. This is now capitalized retrospectivly to 01 July 2008 as a correction of error with the following entries : (Dt) PPE - other assets R343 722 (Cr) Acc Surplus - Prior years R343 722

(xix) Due to the correction on PPE - other assets as set out note **(xviii)** above, the accumulated depreciation is rectified retrospectivly with the following entries: (Ct) Accumulated amortisation R146 221 and (Dt) Accumulated Surplus - Prior years R117 046 and (Dt) Accumulated Surplus - current year R29 175.

The above note 38.1 representing the narratives of the following Corrections of Errors as set out from notes 38.2 to 38.13

38.2	**Accumulated Surplus**	**2013**	**2012**
		R	**R**
	Balance previously reported	**188 213 572**	**156 739 669**
	Correction of error- see note 38.1.(i)	1 866 159	961 507
	Correction of error- see note 38.1.(ii)	(390 224)	(390 224)
	Correction of error- see note 38.1.(iii)	(435 148)	(435 148)
	Correction of error -see note 38.1.(iv)	(14 781 554)	(11 409 015)
	Correction of error -see note 38.1.(v)	314 480	259 380
	Correction of error -see note 38.1.(vi)	(1 725 938)	(1 511 853)
	Correction of error -see note 38.1.(vii)	28 104	28 104
	Correction of error -see note 38.1.(viii)	(12 172)	(9 363)
	Correction of error -see note 38.1.(ix)	80 000	80 000
	Correction of error -see note 38.1.(x)	273 684	273 684
	Correction of error -see note 38.1.(xi)	(5 520)	(4 416)
	Correction of error -see note 38.1.(xii)	(255 500)	(255 500)
	Correction of error -see note 38.1.(xiii)	1 071	857
	Correction of error -see note 38.1.(xiv)	(129 311)	(103 449)
	Correction of error -see note 38.1.(xv)	630 745	630 745
	Correction of error -see note 38.1.(xvi)	(53 392)	(42 707)
	Correction of error -see note 38.1.(xvii)	(2 069)	(1 655)
	Correction of error -see note 38.1.(xviii)	343 722	343 722
	Correction of error -see note 38.1.(xix)	(146 221)	(117 046)
	Restated balance	**173 814 488**	**145 037 291**

38.3	**Employee Benefits**		
		R	**R**
	Balance previously reported	**7 280 375**	**7 295 231**
	Correction of error-see note 38.1.(iv)	14 781 554	11 409 015
	Restated balance	**22 061 929**	**18 704 246**

38.4	**Receivables from non-exchange transactions**		
		R	**R**
	Balance previously reported	**1 630 481**	**2 967 427**
	Correction of error - see note 38.1.(i)	1 238 164	637 943
	Correction of error - see note 38.1.(ii)	(390 224)	(390 224)
	Correction of error - see note 38.1.(iii)	(435 148)	(435 148)
	Correction of error - see note 38.1.(vi)	(1 725 938)	(1 511 853)
	Restated balance	**317 335**	**1 268 145**

38.5	**Receivables from exchange transactions**		
		R	**R**
	Balance previously reported	**7 571 547**	**9 965 913**
	Correction of error - see note 38.1.(i)	627 995	323 564
	Correction of error - see note 38.1.(v)	314 480	259 380
	Restated balance	**8 514 023**	**10 548 857**

38.6 Inventory

	R	**R**
Balance previously reported	**16 563 084**	**16 467 933**
Correction of error -see note 38.1.(ix)	80 000	80 000
Restated balance	**16 643 084**	**16 547 933**

38.7 Intangible Assets

	R	**R**
Balance previously reported	**55 237**	**81 441**
Correction of error -see note 38.1.(vii)	28 104	28 104
Correction of error -see note 38.1.(viii)	(12 172)	(9 363)
Restated balance	**71 170**	**100 182**

38.8 Property Plant and Equipment

	R	**R**
Balance previously reported	**225 818 502**	**187 354 524**
Correction of error -see note 38.1.(xv)	630 745	630 745
Correction of error -see note 38.1.(xvi)	(53 392)	(42 707)
Correction of error -see note 38.1.(xvii)	(2 069)	(1 655)
Correction of error -see note 38.1.(xviii)	343 722	343 722
Correction of error -see note 38.1.(xix)	(146 221)	(117 046)
Restated balance	**226 591 287**	**188 167 583**

38.9 Investment Properties

	R	**R**
Balance previously reported	**25 314 491**	**25 333 658**
Correction of error -see note 38.1.(x)	273 684	273 684
Correction of error -see note 38.1.(xi)	(5 520)	(4 416)
Correction of error -see note 38.1.(xii)	(255 500)	(255 500)
Correction of error -see note 38.1.(xiii)	1 071	857
Correction of error -see note 38.1.(xiv)	(129 311)	(103 449)
Restated balance	**25 198 914**	**25 244 833**

STATEMENT OF FINANCIAL PERFORMANCE	**2013**
	R
Balance previously reported	31 326 217
Correction of error - see note 38.1.(i)	904 652
Correction of error - see note 38.1.(v)	(3 372 539)
Correction of error - see note 38.1.(iv)	55 100
Correction of error - see note 38.1.(vi)	(214 085)
Correction of error -see note 38.1.(viii)	(2 809)
Correction of error -see note 38.1.(xi)	(1 104)
Correction of error -see note 38.1.(xiii)	214
Correction of error -see note 38.1.(xiv)	(25 862)
Correction of error -see note 38.1.(xvi)	(10 686)
Correction of error -see note 38.1.(xvii)	(414)
Correction of error -see note 38.1.(xix)	(29 175)
	(2 696 706)
Effect on Services Charges	309 114
Effect on Property Taxes	434 591
Effect on Other Income	1 938
Effect on Finance charges	(959 166)
Effect on Interest Earned- outstanding debtors	25
Effect on Employee Related cost	(897 282)
Effect on Acturial Losses	(1 516 091)
Effect on Depreciation and Amortisation	(69 835)
Total	**28 629 511**

	2014	**2013**
	R	**R**
39 RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS		
Surplus/(Deficit) for the year	15 382 320	28 629 511
Adjustments for:		

Depreciation	8 482 609	6 960 757
Amortisation of Intangible Assets	19 726	39 777
Gain on disposal of property, plant and equipment	(20 000)	(0)
Loss on disposal of property, plant and equipment	175 470	12 845
Debt Impairment	(1 573 753)	4 164 096
Bad debts written off		
Stock adjustments	2 623 118	177
Contribution to current employee benefits	379 899	540 666
Contribution from/to employee benefits	3 139 708	2 303 557
Contribution to Landfill site	(16 124 433)	361 375
Actuarial Gains/losses	571 035	1 965 267
Impairment	15 968 896	48 496
Interest received (Grants Investments)		
Grants Received	67 432 907	66 729 084
Grant Expenditure	(66 621 070)	(69 521 068)
Operating lease income accrued	(17 752)	(391)
Operating Surplus/(Deficit) before changes in working capital	29 818 680	42 234 147
Changes in working capital	(9 968 360)	3 666 890
Increase/(Decrease) in Payables for Exchange Transactions	(4 741 950)	3 021 761
Increase/(Decrease) in Taxes	(3 118 749)	1 863 810
(Increase)/Decrease in Inventory	(7 874)	(95 328)
(Increase)/Decrease in Assets Held for Sale	208 500	
(Increase)/Decrease in Trade and other receivables	(2 308 288)	(1 123 352)
Cash generated/(absorbed) by operations	**19 850 320**	**45 901 037**

40 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following:

Call Investments Deposits - Note 23	-	1 127 493
Cash Floats - Note 23	3 950	3 450
Bank - Note 23	1 922 667	3 888 703
Total cash and cash equivalents	**1 926 617**	**5 019 646**

41 RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES

Cash and Cash Equivalents - Note 40	1 926 617	5 019 646
	1 926 617	5 019 646
Less:	477 188	(1 829 722)
Unspent Committed Conditional Grants - Note 10	(4 882 614)	(4 070 775)
VAT - Note 12	5 359 802	2 241 053
Resources available for working capital requirements	**2 403 805**	**3 189 924**

42 UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION

Long-term Liabilities - Note 3	34 478 896	36 336 076
Used to finance property, plant and equipment - at cost	(34 478 896)	(36 336 076)
	-	-
Cash set aside for the repayment of long-term liabilities	-	-
Cash invested for repayment of long-term liabilities	**-**	**-**

Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act.

43 BUDGET COMPARISONS

	2014 R (Actual)	2014 R (Budget)	2014 R (Variance)	2014 (%)
43.1 Operational				
Revenue by source				
Property taxes	25 223 225	27 492 482	(2 269 257)	-8%
Government Grants and Subsidies - Capital	18 788 889	-	18 788 889	100%
Government Grants and Subsidies - Operating	47 832 182	84 814 941	(36 982 759)	-44%
Fines	15 303 084	3 319 000	11 984 084	361%
Actuarial Gains	235 133	-	235 133	100%
Service Charges	77 259 422	90 356 699	(13 097 277)	-14%
Rental of Facilities and Equipment	1 214 690	988 000	226 690	23%
Interest Earned - external investments	661 663	400 000	261 663	65%
Interest Earned - outstanding debtors	635 918	1 260 000	(624 082)	-50%
Licences and Permits	1 341 966	714 000	627 966	88%
Agency Services	1 148 440	1 200 000	(51 560)	-4%
Other Income	21 271 010	1 042 600	20 228 410	1940%
Gain on disposal of Property, Plant and Equipment	20 000	-	20 000	100%
	210 935 621	211 587 722	(652 101)	-0.308%
Expenditure by nature				
Employee Related Costs	54 094 140	57 717 170	(3 623 030)	6%
Remuneration of Councillors	3 298 424	3 373 400	(74 976)	2%
Debt Impairment	9 011 271	4 636 664	4 374 607	-94%
Depreciation and Amortisation	8 502 335	6 001 500	2 500 835	-42%
Impairments/Write- offs	15 968 896	-	15 968 896	-100%
Repairs and Maintenance	10 478 957	12 771 610	(2 292 653)	18%
Stock Adjustments	2 623 118	-	2 623 118	-100%
Actuarial losses	806 168	-	806 168	-100%
Finance Charges	6 005 681	6 741 808	(736 127)	11%
Bulk Purchases	36 750 814	39 450 000	(2 699 186)	7%
Grants and Subsidies	1 494 500	1 412 000	82 500	-6%
Operating Grant Expenditure	21 833 813	30 591 953	(8 758 140)	29%
General Expenses	24 509 714	28 751 115	(4 241 401)	15%
Loss on disposal of Property,Plant and Equipment	175 470	-	175 470	-100%
	195 553 302	**191 447 220**	**4 106 082**	**-2%**
Net Surplus for the year	**15 382 320**	**20 140 502**	(4 758 182)	-24%

		2014 R (Actual)	2014 R (Budget)	2014 R (Variance)	2014 (%)
43.2	**Expenditure by Vote**				
	Corporate Services	38 755 622	24 135 989	14 619 633	61%
	Municipal Manager	7 528 446	6 795 010	733 436	11%
	Community Services	51 472 000	55 084 380	(3 612 380)	-7%
	Engineers Service	76 457 960	83 142 825	(6 684 865)	-8%
	Finance Service	21 339 274	22 288 516	(949 242)	-4%
		195 553 302	**191 446 720**	**4 106 582**	**2%**

		2014 R (Actual)	2014 R (Budget)	2014 R (Variance)	2014 (%)
43.3	**Capital expenditure by vote**				
	Corporate Services	146 314	152 820	(6 506)	-4%
	Municipal Manager	37 745	41 855	(4 110)	-10%
	Community Services	608 958	857 656	(248 698)	-29%
	Engineers Service	20 003 759	28 049 625	(8 045 866)	-29%
	Finance Service	460 577	528 166	(67 589)	-13%
		21 257 353	**29 630 122**	**(8 372 769)**	**-28%**

		2014 R	2013 R
44	**UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED**		
44.1	**Unauthorised expenditure**		
	Reconciliation of unauthorised expenditure:		
	Opening balance	70 232 722	59 880 346
	Unauthorised expenditure current year - capital		8 990 733
	Unauthorised expenditure current year - operating	15 353 069	1 361 643
	Condoned by council	(61 746 278)	-
	Transfer to receivables for recovery	-	-
	Unauthorised expenditure awaiting authorisation	**23 839 513**	**70 232 722**

Incident	Disciplinary steps/criminal proceedings
Over expenditure on votes	*Prior year expenditure has been condoned*

		2014 R	2013 R
UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED (CONTINUE)			
44.2	**Fruitless and wasteful expenditure**		
	Reconciliation of fruitless and wasteful expenditure:		
	Opening balance	3 717 053	3 403 405
	Fruitless and wasteful expenditure current year		313 648
	Written off by council	-	
	Transfer to receivables for recovery	-	-
	Fruitless and wasteful expenditure awaiting further action	**3 717 053**	**3 717 053**

Incident	Disciplinary steps/criminal proceedings		
Illegal special Council meetings 8 and 15 October 2012	*None*	-	246 532
Interest and penalties- Late payments on VAT	*None*		39 104
Interest to Mr Matthysenfor unlawfullland transaction	*None*		28 012
Interst and penalities - Late payments on VAT			
Interst and penalities - Late payments on VAT			
		-	313 648

44.3	**Irregular expenditure**		
	Reconciliation of irregular expenditure:		
	Opening balance	18 499 853	16 541 082
	Irregular expenditure current year	170 420	1 958 771
	Investigated and approved by Council	(14 805 487)	-
	Transfer to receivables for recovery	-	-
	Irregular expenditure awaiting further action	**3 864 786**	**18 499 853**
	Irregular expenditure awaiting condonememt from National Treasury	-	-

Incident	Disciplinary steps/criminal proceedings		
Under charging of services to P le Roux questhouse	*None*	-	35 000
Escalated lease payments not ito conditions of contract	*None*	-	27 261
Appointment of labour broker- SCM not followed	*Investigated and approved by councilon 31 October 2013*	-	8 850
Appointment of lHerold Gie Attorneys- SCM not followed	*None*		78 157
LJ Koegelenberg Cleaning of Grounds	*None*		52 500
Directors currently in service of the state- ELEDI l contracting	*None*	64 815	
Directors currently in service of the state- Conlog	*None*	73 460	
Directors currently in service of the state- Pienaar Brothers	*None*	32 145	
SCM procedures not followed- See Comafs 46,75 (2013)	*None*		1 757 003
		170 420	1 958 771

Recoverability of all irregular expenditure will be evaluated by Council in terms of section 32 of MFMA. No steps have been taken at this stage to recover any monies.

44.4	**Material Losses**		
	Water distribution losses		
	- Kilo litres disinfected/purified/purchased	1 496 084	1 498 763
	- Kilo litres lost during distribution	337 750	317 484
	- Percentage lost during distribution	22.58%	21.18%
	Electricity distribution losses		
	- Units purchased (Kwh)	51 470 705	50 662 127
	- Units lost during distribution (Kwh)	6 611 828	2 025 010
	- Percentage lost during distribution	12.85%	4.00%

		2014 R	2013 R
45	**ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT**		
45.1	**Contributions to organised local government - [MFMA 125 (1)(b)] - SALGA CONTRIBUTIONS**		
	Opening balance	334 336	-
	Council subscriptions	554 355	400 000
	Amount paid - current year	(554 355)	(65 664)
	Amount paid - previous years	(334 336)	-
	Balance unpaid (in dispute)	**-**	**334 336**

		2014 R	2013 R
45.2	**Audit fees - [MFMA 125 (1)(b)]**		
	Opening balance	543 046	690 804
	Current year audit fee	3 204 570	3 816 085
	External Audit - Auditor-General	3 188 432	3 816 085
	Audit Committee	16 138	-
	Amount paid - current year	(3 204 570)	(3 273 039)
	Amount paid - previous year	(543 046)	(690 804)
	Balance unpaid (included in creditors)	**(0)**	**543 046**
45.3	**VAT - [MFMA 125 (1)(b)]**		
	VAT balance at year end - Refer to note 12	5 359 802	2 241 053
	Closing balance - Receivable	**5 359 802**	**2 241 053**

VAT is payable/receivable on the cash basis. VAT is only paid over to SARS once cash is received from debtors and only claimed from SARS once payment is made to creditors.

45.4	**PAYE, SDL and UIF - [MFMA 125 (1)(b)]**		
	Opening balance	-	-
	Current year payroll deductions and Council Contributions	7 237 864	6 401 000
	Amount paid - current year	(7 237 864)	(6 401 000)
	Balance unpaid (included in creditors)	**(0)**	**-**
45.5	**Pension and Medical Aid Deductions - [MFMA 125 (1)(b)]**		
	Opening balance	-	-
	Current year payroll deductions and Council Contributions	12 303 543	12 459 532
	Amount paid - current year	(12 303 543)	(12 459 532)
	Balance unpaid (included in creditors)	**-**	**-**

45.6 Councillor's arrear consumer accounts - [MFMA 125 (1)(b)]

No Councillors had arrear accounts for more than 90 days as 30 June2014

45.7 Deviations from Supply Chain Management Regulations

Non-compliance summary

Department:

Corporate Services	202 952
Community Services	28 600
Engineers Service	1 012 386
Municipal Manager	29 991
Finance Service	289 935
	1 563 864

Per Quarter	< R30000	>R30000 <R200000	>R200000	
1	190 794	159 750		350 544
2	273 316	96 900		370 216
3	63 479	244 785	228 646	536 911
4	170 194	136 000		306 194
Total	697 783	637 435	228 646	**1 563 864**

45.8 Awards above R2000 to spouses, child, parent of a person in service of the state (Section 45 of the Supply Management Policy).

Company	Name	Relation
Heins Auto Elektries;	J de Jager	Brother
A.J.Fabricius Mobile Dienste	I Baransky	Daughter
Exeo Khokela Civil Engineering Construction	T Meyer	Brother

45.9 Other non-compliance (MFMA 125(2)(e))

Service Delivery and Budget Implementation Plan reports were not submitted quarterly to council on the implementation of the budget and the financial state of affairs of the municipality within 30 days after the end of each quarter as required by section 52(d) of the MFMA.

National Treasury were not informed, as required by section 64(3) of the MFMA, of payments due by an organ of state to the municipality in respect of municipal tax or for municipal services, if such payments are regularly in arrears for periods of more than 30 days.

The internal audit unit partly did not function as required by section 165(2) of the MFMA, nor section 14 of the Municipal planning and performance regulations.

Creditotrs payments were not made within 30 days as required by the MFMA.

			2014 R	2013 R
46	**CAPITAL COMMITMENTS**			
	Commitments in respect of capital expenditure:			
	Approved and contracted for:		29 910 065	22 247 429
	Total commitments consist out of the following:	Contract/Tender		
	Upgrading and re-location Barrydale Sewerage Treatment Plant	222/2010	370 385	
	Upgrading and re-location Swellendam Water Treatment Plant	302/2010	820 591	
	Upgrading Waste Water Treatment Works	136/2011	6 456 035	
	Upgrading Waste Water Treatment Works	173/2011	9 784 456	
	Proffesional Services-Electrification of Sub Economic Houses	T101/2011	226 935	
	Upgrading Water Treatment Works-Suurbraak	T02/12-13WTW02	2 420 935	
	Upgrading Waste Water Treatment Works-Suurbraak	T02/12-13WTW02	2 444 814	
	Upgrading Water Treatment Works-Buffeljagsrivier	T02/12-13WTW01	721 566	
	Upgrading Waste Water Treatment Works-Buffeljagsrivier	T02/12-13WTW01	752 473	
	Proffesional Services-Business Plan for ACIP Fund application	T02/12-13/WRP01	94 666	
	Upgrading of Streets and Stormwater - Buffelsjag& Rondomskrik	SM-T04/12-13	429 996	
	Electrification of Sub-Economic Houses	SM-T12/12-13	275 465	
	Upgrading Water Treatment Works	SM-T28/12-13	2 698 758	
	Upgrading Water Treatment Works	SM-T29/12-13	964 258	
	Construction and Finishes of Exstentions to Buffelsjags Library	SM-T30/12-13	80 956	
	Upgrading of Roads and Stormwater Drainage- Rondomskrik	SM-T11/13-14	1 367 777	
	Streets rebuild and reseal			1 534 535
	Construction of extentions to the Buffelsjagsrivier library			249 060
	Waste Water Treatment Works Swellendam		-	20 463 834
			29 910 065	**22 247 429**
	This expenditure will be financed from:			
	External Loans		2 160 000	-
	Government Grants		27 750 065	22 247 429
			29 910 065	**22 247 429**

	2014 R	2013 R

47 FINANCIAL RISK MANAGEMENT

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

(a) Foreign Exchange Currency Risk

The municipality does not engage in foreign currency transactions.

(b) Price risk

The municipality is not exposed to price risk.

(c) Interest Rate Risk

As the municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.

The municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.

The municipality did not hedge against any interest rate risks during the current year.

The potential impact on the entity's surplus/deficit for the year due to changes in interest rates were as follow:

1% Increase in interest rates	(428 526)	(644 545)
0.5% Decrease in interest rates	214 263	322 273

(d) Credit Risk

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the municipality to incur a financial loss.

Credit risk consist mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.

Receivables are disclosed net after provisions are made for impairment and bad debts. Trade debtors comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other debtors is considered to be moderate due the diversified nature of debtors and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

The credit quality of receivables are further assessed by grouping individual debtors into different categories with similar risk profiles.

All rates and services are payable within 30 days from invoice date. Refer to note 20 and 21 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms. Also refer to note 20 and 21 for balances included in receivables that were re-negotiated for the period under review.

Balances past due not impaired:

	2014 %	2014 R	2013 %	2013 R
Non-Exchange Receivables				
Rates	-15.24%	(2 172 594)	-17.93%	(2 523 444)
Exchange Receivables				

Electricity	6.44%	263 950	-8.33%	(414 112)
Water	9.57%	347 246	0.83%	30 916
Refuse	8.47%	209 534	-0.66%	(15 311)
Sewerage	8.09%	327 994	-2.01%	(78 935)
Other	-17.89%	(326 487)	9.08%	110 654
	5.11%	822 237	-2.27%	(366 787)

No receivables are pledged as security for financial liabilities.

Due to the short term nature of receivables the carrying value disclosed in note 20 and 21 of the financial statements is an approximation of its fair value. Interest on overdue balances are included at prime borrowing rate plus 1% where applicable.

The provision for bad debts could be allocated between the different classes of debtors as follows:

	2014 %	**2014 R**	**2013 %**	**2013 R**
Non-Exchange Receivables				
Rates	100.00%	14 252 111	100%	14 074 767
Exchange Receivables				
Electricity	25.48%	4 097 353	30.77%	4 972 684
Water	22.57%	3 628 612	22.93%	3 705 683
Refuse	15.39%	2 474 354	14.44%	2 334 359
Sewerage	25.21%	4 053 042	24.31%	3 928 941
Other	11.35%	1 825 242	7.54%	1 219 165
	100.00%	16 078 603	100.00%	16 160 831

	2014 %	**2014 R**	**2013 %**	**2013 R**
Bad debts written off per debtor class:				
Non-Exchange Receivables				
Rates	0.00%	-	100%	937 743
Exchange Receivables				
Electricity	0.00%		11.09%	1 410 260
Water	99.56%	227 076	29.36%	3 733 092
Refuse	0.00%		18.92%	2 405 536
Sewerage	0.00%		25.68%	3 264 520
Other	0.44%	1 001	14.94%	1 899 343
	100.00%	228 077	100.00%	12 712 751

The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.

The banks utilised by the municipality for current and non-current investments are all listed on the JSE (First National Bank and Standard Bank). The credit quality of these institutions are evaluated based on their required SENS releases as well as other media reports. Based on all public communications, the financial sustainability is evaluated to be of high quality and the credit risk pertaining to these institutions are considered to be low.

The risk pertaining to unpaid conditional grants and subsidies are considered to be very low. Amounts are receivable from national and provincial government and there are no expectation of counter party default.

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment.

	2014 R	**2013 R**
Financial assets exposed to credit risk at year end are as follows:		

Long term receivables	286 222	347 565
Receivables from exchange transactions	7 670 400	8 199 542
Receivables from non-exchange transactions	11 842 844	177 214
Cash and Cash Equivalents	1 926 617	5 019 646
	21 726 083	13 743 967

(e) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit lines.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

2014	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 Years
Long Term liabilities - Annuity Loans	5 591 582	20 308 990	22 310 575	20 959 773
Capital repayments	1 840 811	7 235 335	10 301 547	14 606 587
Interest	3 750 771	13 073 655	12 009 029	6 353 186
Long Term liabilities - Finance Lease Liability	40 275	156 309	-	-
Capital repayments	18 976	150 782	-	-
Interest	21 300	5 527	-	-
Long Term Liabilities - Hire Purchases	281 419	225 321		
Capital repayments	250 043	225 321		-
Interest	31 376		-	-
Provisions - Landfill Sites	3 031 106	-	-	7 952 241
Capital repayments	2 869 609	-	-	3 588 823
Interest	161 497	-	-	4 363 418
Trade and Other Payables	6 894 220	-	-	-
Unspent conditional government grants and receipts	4 882 614	-	-	-
	20 721 216	20 690 619 -	22 310 575	28 912 014

2013	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 Years
Long Term liabilities - Annuity Loans	5 596 869	21 268 293	22 329 975	24 909 407
Capital repayments	1 687 656	7 508 445	9 426 590	17 049 235
Interest	3 909 213	13 759 848	12 903 385	7 860 172
Long Term liabilities - Finance Lease Liability	856 785	291 337	-	-
Capital repayments	798 350	275 325	-	-
Interest	58 435	16 012	-	-
Long Term Liabilities - Hire Purchases	155 302	19 068		
Capital repayments	145 360	18 976		
Interest	9 942	92		
Provisions - Landfill Sites	5 664 155	2 362 460	2 953 076	15 736 955
Capital repayments	4 849 493		-	12 783 879
Interest	814 662	2 362 460	2 953 076	2 953 076
Trade and Other Payables	13 308 982	-	-	-
Unspent conditional government grants and receipts	4 070 775	-	-	-
	29 652 868	23 941 158 -	25 283 051	40 646 362

48 FINANCIAL INSTRUMENTS

In accordance with GRAP 104 the financial instruments of the municipality are classified as follows:

48.1 Financial Assets	Classification	2014 R	2013 R
Long-term Receivables			
Housing Loan Scheme	Financial instruments at amortised cost	286 222	347 565
Receivables			
Receivables from exchange transactions	Financial instruments at amortised cost	7 670 400	8 199 542
Receivables from non-exchange transactions	Financial instruments at amortised cost	11 842 844	177 214
Other Receivables			
Government subsidies and grants	Financial instruments at amortised cost	0	
Current Portion of Long-term Receivables			
Sport Club Loans	Financial instruments at amortised cost	68 874	61 283
Short-term Investment Deposits			
Call Deposits	Financial instruments at amortised cost	-	1 127 493

	Bank Balances and Cash			
	Bank Balances	Financial instruments at amortised cost	1 922 667	3 888 703
	Cash Floats and Advances	Financial instruments at amortised cost	3 950	3 450
			21 794 958	**13 805 250**
	SUMMARY OF FINANCIAL ASSETS			
	Financial instruments at amortised cost		21 794 958	13 805 250
	At amortised cost		**21 794 958**	**13 805 250**

FINANCIAL INSTRUMENTS (CONTINUE)

48.2	**Financial Liability**	**Classification**		
	Long-term Liabilities			
	Annuity Loans	Financial instruments at amortised cost	32 143 744	33 984 280
	Capitalised Lease Liability	Financial instruments at amortised cost	225 321	332 679
	Hire Purchases	Financial instruments at amortised cost	-	18 976
	Payables from exchange transactions			
	Trade creditors	Financial instruments at amortised cost	6 894 220	10 206 982
	Accrued interest	Financial instruments at amortised cost	684 196	698 658
	Retentions	Financial instruments at amortised cost	3 690 808	3 693 116
	Deposits	Financial instruments at amortised cost	110 923	579 024
	Other	Financial instruments at amortised cost	364 270	271 095
	Other Payables			
	Government Subsidies and Grants	Financial instruments at amortised cost	4 882 613	4 070 775
	Current Portion of Long-term Liabilities			
	Annuity Loans	Financial instruments at amortised cost	1 840 811	1 687 656
	Capitalised Lease Liability	Financial instruments at amortised cost	250 044	167 125
	Hire Purchases	Financial instruments at amortised cost	18 976	145 360
			51 105 927	**55 855 726**
	SUMMARY OF FINANCIAL LIABILITY			
	Financial instruments at amortised cost		**51 105 927**	**55 855 726**

49 EVENTS AFTER THE REPORTING DATE

None

50 IN-KIND DONATIONS AND ASSISTANCE

The municipality did not receive any in-kind donations or assistance during the year under review.

51 PRIVATE PUBLIC PARTNERSHIPS

Council has not entered into any private public partnerships during the financial year.

52 CONTINGENT LIABILITIES

Guarantees held at First National Bank
- Eskom R3700
- Department of Minerals and Energy, RSA R20000

Imatu/Samwu wage curve dispute
An Appeal Court judgement is still outstanding between the Employers ,represented by SALGA, and the Employee unions to determine if an previous High Court judgement regarding an 8.25% increase on the TASK wage curves, which was in favour of the unions, is payable to the employees or not. Although Swellendam Municipality has fully implemented the TASK salary scales, a possibility exist that an amount , which is unknown at this stage, may be payable to the employees should the Appeal Court also just in favour of the unions.

Breede Rivier Verordeninge/ Municipality
Estimated legal cost amounted to R65000 should the court decide not in favour of the municipality

Several minor cases where Council has instituted legal remedies to enforce town planning issues ,of which the total estimated cost amounted to R25000

53 RELATED PARTIES

52.1 Related Party Loans

Since 1 July 2004 loans to councillors and senior management employees are not permitted. Loans granted prior to this date are disclosed in note 18 to the Annual Financial Statements.

53.1 Compensation of key management personnel

The compensation of key management personnel is set out in note 28 to the Annual Financial Statements.

53.2 Other related party transactions

The following purchases were made during the year where Councillors or staff have an interest:

None

13 Property, Plant and Equipment

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Reconciliation of Carrying Value	Cost							Accumulated Depreciation and Impairment Losses							Carrying Value
	Opening Balance R	Additions R	Transfer to Assets held for sale	Correction of errors	Work- In Progress	Disposals/Write off R	Closing Balance R	Opening Balance R	Correction of errors	Depreciation Charge R	Provision for impairment	Transfer to Assets held for sale	Disposals/Write off R	Closing Balance R	R
Land and Buildings	**38 376 346**	**389 975**	**-**	**-**	**-**	**-**	**38 766 321**	**405 663**		**98 967**	**8 185 801**	**-**	**-**	**8 690 432**	**30 075 889**
Land	28 083 116	-					28 083 116	-		-	7 892 286		-	7 892 286	20 190 830
Buildings	6 338 326	-					6 338 326	339 137		55 776	242 725			637 638	5 700 689
Fencing	205 848	-					205 848	3 433		2 057	-			5 490	200 358
Municipal Buildings	3 749 057	389 975					4 139 032	63 094		41 134	50 790			155 018	3 984 013
Infrastructure	**202 783 158**	**19 759 982**				**(114 112)**	**222 429 028**	**39 367 554**		**6 235 055**			**(20 535)**	**45 582 074**	**176 846 953**
Bridges, subways & culverts	11 232 562	-					11 232 562	851 459		146 292			-	997 751	10 234 811
Mains	23 386 977	-					23 386 977	7 881 549		712 100			-	8 593 649	14 793 329
Meters	1 835 818	-					1 835 818	785 916		54 593			-	840 509	995 309
Other	11 374 236						11 374 236	647 368		217 458				864 826	10 509 411
Other roads	38 650 624					(114 112)	38 536 512	10 928 558		3 149 610			(20 535)	14 057 633	24 478 880
Pump stations	2 184 157						2 184 157	845 306		155 151				1 000 457	1 183 700
Purification works	2 580 065						2 580 065	1 235 229		154 092				1 389 321	1 190 744
Reservoirs & tanks	8 579 010						8 579 010	3 047 068		228 032				3 275 100	5 303 910
Sewers	23 004 609						23 004 609	9 060 747		863 905				9 924 652	13 079 957
Supply/reticulation	19 312 101	-					19 312 101	3 651 362		519 519				4 170 881	15 141 220
Switchgear equipment	294 645	-					294 645	103 925		8 760				112 685	181 960
Traffic lights	514 274	-					514 274	329 068		25 545				354 613	159 661
Work in progress	59 834 078	19 759 982					79 594 060	-						-	79 594 060
							-								
Community Assets	**14 486 861**	**-**				**-**	**14 486 861**	**487 688**	**-**	**98 518**	**800 052**		**-**	**1 386 258**	**13 100 601**
Cemeteries	139 000	-				-	139 000	867		173			-	1 040	137 960
Clinics/hospitals	327 074	-					327 074	14 158		2 832				16 990	310 084
Community Centres	2 520 189	-					2 520 189	124 832		32 690				157 522	2 362 667
Indoor Sports	1 231 320	-					1 231 320	47 657		11 165	3 500			62 322	1 168 998
Libraries	3 031 029	-					3 031 029	109 524		21 277	138 742			269 543	2 761 485
Office Buildings	2 089 003	-					2 089 003	70 643		12 461	78 310			161 414	1 927 589
Outdoor sports facilities	2 116 000	-					2 116 000	57 606		176	212 000			269 782	1 846 218
Parks	2 834 611	-					2 834 611	42 560		8 512	367 500			418 572	2 416 039
Public conveniences/bathhouses	38 566	-					38 566	3 823		1 234				5 057	33 508
Tip sites	160 070	-					160 070	16 018		7 998				24 016	136 054
Lease Assets	**542 560**	**204 988**				**-**	**747 548**	**40 110**	**-**	**246 405**			**-**	**286 515**	**461 033**
Office Equipment	542 560	204 988				-	747 548	40 110		246 405			-	286 515	461 033
Heritage Assets	-	-				-	-	-		-			-	-	-
Buildings	-					-	-	-		-			-	-	-
Other Assets	**18 963 863**	**902 408**				**(185 368)**	**19 680 903**	**8 260 483**	**-**	**1 700 145**			**(103 475)**	**9 857 153**	**9 823 750**
Air conditioners	359 914	73 951				(13 002)	420 863	201 176		28 719			(10 421)	219 474	201 390
Cabinets/cupboards	771 808	40 062				(3 497)	808 373	211 605		37 729			(3 035)	246 299	562 074
Chairs	1 068 413	29 790				(23 162)	1 075 041	279 207		63 460			(14 311)	328 357	746 684
Computer hardware	2 000 327	439 753				(7 770)	2 432 310	1 011 021		201 705			(6 694)	1 206 032	1 226 277
General plant	706 849						706 849	455 294		77 627				532 921	173 927
Generator	254 508						254 508	120 984		29 405				150 389	104 119
Graders	1 136 080						1 136 080	325 291		57 549				382 840	753 240
Lawnmowers	155 002	141 281					296 284	51 368		24 623				75 991	220 294
Mechanical horses	1 261 589					(10 546)	1 251 043	496 671		47 253			(6 814)	537 110	713 933
Miscellaneous furniture	757 488	55 293				(2 366)	810 415	359 501		67 856			(1 843)	425 514	384 902
Office machines	351 869	4 053				(4 941)	350 981	205 379		28 324			(4 937)	228 766	122 215
Radio equipment	172 965						172 965	117 202		5 215			-	122 417	50 549
Security systems	108 663					(5 321)	103 342	37 216		19 464			(2 576)	54 103	49 238
Tables/desks	881 977	34 554				(4 963)	911 567	208 437		46 310			(1 488)	253 260	658 307
Telecommunication equipment	148 120						148 120	106 940		10 289				117 229	30 892
Tools	804 357	83 671				(8 874)	879 154	460 053		82 106			(7 576)	534 583	344 569
Tracktors	231 143						231 143	74 119		22 203				96 322	134 820
Trucks/bakkies	6 841 949					(100 926)	6 741 023	3 095 261		737 497			(43 779)	3 788 979	2 952 044
Vehicles	950 845						950 845	443 758		112 811				556 568	394 277
	275 152 788	**21 257 353**				**(299 480)**	**296 110 661**	**48 561 499**		**8 379 090**	**8 985 853**		**(124 010)**	**65 802 432**	**230 308 227**

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Reconciliation of Carrying Value	Cost							Accumulated Depreciation and Impairment Losses							Carrying Value
	Opening Balance R	Additions R	Transfer to Assets held for sale	Correction of errors	Work In-Progrss	Disposals R	Closing Balance R	Opening Balance R	Correction of errors	Depreciation Charge R	Transfer to Assets held for sale	Disposals R	Closing Balance R	R
Land and Buildings	**35 567 748**	**2 177 853**	**-**	**630 746**		**-**	**38 376 346**	**257 754**	**53 345**	**94 563**		**-**	**405 664**	**37 970 682**
Land	28 094 864	426 847		(438 595)		-	28 083 116	-				-	-	28 083 116
Buildings	5 055 641	213 344		1 069 341		-	6 338 326	226 454	53 345	59 338		-	339 137	5 999 190
Fencing	205 848						205 848	8 946	(7 570)	2 057		-	3 433	202 415
Municipal Buildings	2 211 394	1 537 662					3 749 057	22 355	7 570	33 169		-	63 094	3 685 962
Infrastructure	**160 434 951**	**42 353 441**				**(5 234)**	**202 783 155**	**34 788 724**		**4 580 578**		**(1 727)**	**39 367 575**	**163 415 583**
Bridges, subways & culverts	10 355 375				877 187		11 232 563	726 466		125 014		-	851 480	10 381 082
Mains	23 386 977				-		23 386 976	7 273 726		607 823		-	7 881 549	15 505 429
Meters	1 835 818				-		1 835 818	733 506		52 410		-	785 916	1 049 902
Other	11 374 236						11 374 235	449 437		197 931			647 368	10 726 868
Other roads	38 650 624						38 650 624	8 899 644		2 028 914			10 928 558	27 722 067
Pump stations	2 184 157						2 184 157	741 960		103 346			845 306	1 338 851
Purification works	2 554 888				25 177		2 580 065	1 127 949		107 280			1 235 229	1 344 836
Reservoirs & tanks	8 509 010				70 000		8 579 009	2 843 507		203 561			3 047 068	5 531 942
Sewers	23 004 609						23 004 609	8 308 126		752 621			9 060 747	13 943 862
Supply/reticulation	17 839 907				1 477 428	(5 234)	19 312 100	3 283 152		369 937		(1 727)	3 651 362	15 660 739
Switchgear equipment	294 645						294 645	96 268		7 657			103 925	190 720
Traffic lights	514 274						514 274	304 983		24 085			329 068	185 206
Work in progress	19 930 429	42 353 441			(2 449 792)		59 834 078	-					-	59 834 078
Community Assets	**14 424 543**	**62 317**	**-**	**-**		**-**	**14 486 861**	**372 569**	**1 912**	**113 207**		**-**	**487 688**	**13 999 172**
Cemeteries	139 000	-				-	139 000	-	867			-	867	138 133
Clinics/hospitals	327 074						327 074	11 326		2 832			14 158	312 916
Community Centres	2 512 494	7 695					2 520 189	92 215	(156)	32 773			124 832	2 395 357
Indoor Sports	1 231 320						1 231 320	36 334		11 323			47 657	1 183 663
Libraries	2 976 407	54 622					3 031 029	86 472		23 052			109 524	2 921 505
Office Buildings	2 089 003						2 089 003	56 441		14 202			70 643	2 018 360
Outdoor sports facilities	2 116 000						2 116 000	46 085		11 521			57 606	2 058 394
Parks	2 834 611						2 834 611	33 087	1 201	8 272			42 560	2 792 051
Public conveniences/bathhouses	38 566						38 566	2 589		1 234			3 823	34 742
Tip sites	160 070						160 070	8 020		7 998			16 018	144 052
Lease Assets	**6 153**	**536 407**				**-**	**542 560**	**4 919**		**35 191**		**-**	**40 110**	**502 450**
Office Equipment	6 153	536 407					542 560	4 919		35 191		-	40 110	502 450
Other Assets	**18 697 104**	**249 901**	**(312 050)**	**343 723**		**(14 819)**	**18 963 865**	**6 352 238**	**146 221**	**1 867 548**	**(103 550)**	**(1 974)**	**8 260 483**	**10 703 400**
Air conditioners	340 864	9 560	(10 086)	19 575			359 914	147 941	11 427	50 207	(8 399)	-	201 176	158 739
Cabinets/cupboards	734 136	15 152	(1 447)	36 521		(12 554)	771 808	161 404	9 666	43 838	(2 002)	(1 301)	211 605	560 203
Chairs	1 023 017	15 774	(2 854)	33 675		(1 199)	1 068 414	206 158	8 802	66 980	(2 493)	(240)	279 207	789 207
Computer hardware	1 788 353	93 898	(1 654)	119 731			2 000 327	650 963	64 198	297 254	(1 394)		1 011 021	989 308
General plant	696 589	5 155	(5 121)	10 226			706 850	374 508	5 109	79 942	(4 265)		455 294	251 555
Generator	251 935			2 573			254 508	75 848	1 286	43 850			120 984	133 525
Graders	1 136 080						1 136 080	168 617		156 674			325 291	810 790
Lawnmowers	164 015	24 646	(33 659)				155 002	55 314		26 257	(30 203)		51 368	103 636
Mechanical horses	1 305 038		(46 915)	3 466			1 261 589	394 919	1 155	100 597			496 671	764 920
Miscellaneous furniture	694 031	11 587	(11 254)	63 288		(165)	757 488	276 789	17 895	73 491	(8 575)	(99)	359 501	397 987
Office machines	341 222	5 300	(1 501)	6 848			351 869	143 696	3 427	59 506	(1 250)		205 379	146 491
Radio equipment	172 965						172 965	90 828		26 374			117 202	55 764
Security systems	108 663						108 663	16 875		20 341			37 216	71 448
Tables/desks	827 476	52 745		1 885		(129)	881 977	159 524	471	48 468		(26)	208 437	673 541
Telecommunication equipment	148 120						148 120	96 651		10 289			106 940	41 181
Tools	743 717	16 084		45 327		(772)	804 357	346 385	22 480	91 496		(308)	460 053	344 304
Tracktors	231 143	-				-	231 143	94 919		-20 800		-	74 119	157 025
Trucks/bakkies	7 002 124	-	(160 175)			-	6 841 949	2 551 475		571 268	(27 482)	-	3 095 261	3 746 689
Vehicles	987 617	-	(37 383)	611		-	950 845	339 424	305	121 516	(17 487)	-	443 758	507 088
	229 130 498	**45 379 919**	**(312 050)**	**974 469**		**(20 053)**	**275 152 787**	**41 776 203**	**201 477**	**6 691 087**	**(103 550)**	**(3 700)**	**48 561 520**	**226 591 287**

13 PROPERTY, PLANT AND EQUIPMENT

GRAP 17 - Property, Plant and Equipment

The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in February 2008. The municipality did not measure all the Property, Plant and Equipment in accordance with the standard, including the following:

Land;
Property, Plant and Equipment financed by way of finance leases;
Property, Plant and Equipment financed by way of provisions;
Property, Plant and Equipment transferred as a result of the transfer of functions; and
Componentised infrastructure assets.

The municipality is currently in a process of identifying all Property, Plant and Equipment and have it valued in terms of GRAP 17 and it is expected that this process will be completed for inclusion in the 2011 financial statements.The Municipality is in the process of itemizing all infrastructure and community assets and will recalculate accumulated depreciation once this exercise has been completed by 30 June 2011. At present depreciation on these assets is calculated on an averaging basis whereby an average useful life has been estimated for each category of infrastructure and community assets, using global historical costs recorded in the accounting records.

The municipality therefore did not utilised the transitional provision in the following areas:

• Review of useful life of item of PPE recognised in the annual financial statements.
• Review of the depreciation method applied to PPE recognised in the annual financial statements.
• Review of residual values of item of PPE recognised in the annual financial statements.
• Impairment of non-cash generating assets.
• Impairment of cash generating assets.

APPENDIX A - Unaudited
SWELLENDAM LOCAL MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2014

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 JUNE 2013	Correction	Balance at 30 JUNE 2013 Restated	Received during the period	Redeemed written off during the period	Balance at 30 JUNE 2014
ANNUITY LOANS									
L.F.P.O.-SEWERAGE (INDUSTRIAL)- LOAN FUND	15.90%		2013	0		-			-
STREETS - DBSA	8.08%		2021	245 629		245 629		30 704	214 925
UPGRADING OF ELECTRICAL NETWORK-DBSA	8.53%		2021	894 717		894 717		105 261	789 456
INFRASTRUCTURE-DBSA	8.53%		2017	464 377		464 377		103 195	361 182
INFRASTRUCTURE- PHASE 2-DBSA	10.56%		2024	3 946 545		3 946 545		203 704	3 742 841
INFRASTRUCTURE- PHASE 4-DBSA	9.26%		2017	2 805 753		2 805 753		609 363	2 196 390
INFRASTRUCTURE- PHASE 3-DBSA	8.89%		2025	4 014 462		4 014 462		185 709	3 828 753
INFRASTRUCTURE-2007-DBSA	11.12%		2029	4 131 285		4 131 285		101 685	4 029 600
INFRASTRUCTURE-2008-DBSA	12.20%		2030	19 169 168	-	19 169 168	-	347 761	18 821 407
Total Annuity Loans				**35 671 936**	**-**	**35 671 936**	**-**	**1 687 381**	**33 984 555**
HIRE PURCHASES									
West Bank Vehicles Finance				164 336		164 336	-	145 360	18 976
Total Hire Purchase Liabilities				**164 336**	**-**	**164 336**		**145 360**	**18 976**
LEASE LIABILITY									
Vehicles and office equipment				499 803	-	499 803	204 988	229 427	475 364
Total Lease Liabilities				**499 803**	**-**	**499 803**	**204 988**	**229 427**	**475 364**
TOTAL EXTERNAL LOANS				**36 336 075**	**-**	**36 336 075**	**204 988**	**2 062 167**	**34 478 895**

APPENDIX B - Unaudited
SWELLENDAM LOCAL MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2014
MUNICIPAL VOTES CLASSIFICATION

2013 Actual Income R	2013 Actual Expenditure R	2013 Surplus/ (Deficit) R		2014 Budgeted Income	2014 Actual Income R	2014 Budgeted Expenditure	2014 Actual Expenditure R	2014 Surplus/ (Deficit) R
			ABBATOIR			**0**		
477 816	(468 193)	9 624	BUILDING CONTROL	**450 000**	524 324	**693 883**	(490 425)	33 898
651 045	(763 075)	(112 031)	CARAVAN PARK	**472 200**	662 399	**1 182 147**	(747 935)	(85 536)
15 987	(66 993)	(51 006)	CEMETERIES	**27 000**	32 449	**148 200**	(143 593)	(111 145)
225 841	(277 208)	(51 368)	COMMONAGE	**177 400**	71 464	**677 000**	(471 087)	(399 622)
9 465 571	(3 785 541)	5 680 030	COMMUNITY SERVICES	**25 634 982**	17 340 541	**28 457 115**	(20 292 490)	(2 951 950)
1 756	(5 306 349)	(5 304 594)	CORPORATE SERVICES	**3 000**	5 119	**5 999 665**	(5 772 049)	(5 766 930)
41 024 584	(14 356 488)	26 668 096	COUNCIL GENERAL	**48 460 482**	49 637 886	**15 534 287**	(30 747 774)	18 890 113
1 909 546	(3 474 346)	(1 564 800)	ELECTRICITY ADMIN	**11 000**	11 787	**3 953 360**	(3 299 605)	(3 287 818)
45 281 295	(37 508 379)	7 772 916	ELECTRICITY NETWORK	**59 631 400**	51 644 511	**45 546 944**	(38 977 026)	12 667 485
35 065 418	(8 078 711)	26 986 707	ENGINEERS SERVICES	**29 795 500**	19 959 865	**7 113 299**	(9 220 306)	10 739 560
5 346 635	(18 272 518)	(12 925 882)	FINANCIAL SERVICES	**5 860 671**	5 516 083	**21 989 191**	(21 059 647)	(15 543 564)
61 731	(446 028)	(384 297)	HALLS	**63 000**	80 433	**538 463**	(531 085)	(450 653)
-	(15 719)	(15 719)	IDP	**0**	-	**62 960**	(86 340)	(86 340)
243 418	(638 396)	(394 978)	IRRIGATION WATER	**280 000**	270 478	**908 532**	(611 005)	(340 527)
1 783 561	(2 820 412)	(1 036 851)	LIBRARY	**4 478 988**	4 175 786	**3 676 001**	(3 483 492)	692 294
-	(490 872)	(490 872)	LOCAL ECONOMIC DEVELOPMENT	**0**	-	**574 614**	(353 788)	(353 788)
171 029	(54 000)	117 029	MAIN ROADS	**23 000**	-	**23 000**	-	-
-	(5 577 195)	(5 577 195)	MUNICIPAL MANAGER	**66 000**	-	**5 044 936**	(6 003 381)	(6 003 381)
-	(242 575)	(242 575)	OFFICE BUILDINGS	**0**	-	**87 000**	(73 169)	(73 169)
-	(4 605 480)	(4 605 480)	PARKS	**0**	-	**5 996 225**	(5 580 914)	(5 580 914)
11 061	(12 917)	(1 856)	POUND	**4 000**	42 562	**14 000**	(12 449)	30 113
5 397 591	(5 515 137)	(117 546)	REFUSE	**7 100 000**	22 240 536	**7 433 458**	(4 559 440)	17 681 096
168 300	(160 397)	7 903	RENTED BUILDINGS	**162 000**	161 169	**23 000**	(2 516)	158 653
-	(1 407 118)	(1 407 118)	SEWERAGE ADMINISTRATION	**0**	-	**1 108 947**	(1 021 334)	(1 021 334)
10 312 528	(3 305 818)	7 006 710	SEWERAGE NETWORK	**12 803 500**	11 222 252	**1 994 025**	(1 931 344)	9 290 908
-	(1 491 503)	(1 491 503)	SEWERAGE PURIFICATION	**0**	-	**1 464 693**	(1 355 928)	(1 355 928)
2 740	(207 049)	(204 309)	SPORTS AND RECREATIONS	**900**	3 754	**393 000**	(235 527)	(231 772)
-	(268 991)	(268 991)	STORES	**0**	-	**299 325**	(279 626)	(279 626)
-	(442 660)	(442 660)	STORMWATER	**0**	1 942	**750 000**	(837 782)	(835 840)
78	(1 026 931)	(1 026 853)	STREET LIGHTS	**0**	78	**1 189 800**	(1 219 741)	(1 219 663)
6 018	(5 304 274)	(5 298 256)	STREETS	**8 000**	10 161	**8 361 563**	(9 189 810)	(9 179 649)
124 319	(314 870)	(190 551)	THUSONG MULTIPURPOSE CENTER	**110 000**	236 586	**413 340**	(402 107)	(165 521)
-	(999 639)	(999 639)	TOURISM	**0**	-	**1 089 500**	(1 082 422)	(1 082 422)
156 016	(1 041 477)	(885 460)	TOWN PLANNING	**156 000**	193 831	**1 231 154**	(1 274 287)	(1 080 457)
4 531 831	(5 198 539)	(666 708)	TRAFFIC AND LICENSING	**5 213 500**	17 770 586	**6 832 431**	(15 482 966)	2 287 620
-	(69 908)	(69 908)	WATER DAMS	**0**	-	**32 500**	(14 464)	(14 464)
8 632 601	(4 039 761)	4 592 839	WATER NETWORK	**10 594 699**	9 119 041	**5 426 837**	(4 577 870)	4 541 171
-	(3 702 424)	(3 702 424)	WATER PURIFICATION	**0**	-	**4 251 524**	(3 527 373)	(3 527 373)
-	(176 473)	(176 473)	WATER WORKS	**0**	-	**117 000**	(126 188)	(126 188)
-	(504 439)	(504 439)	WORKSHOP FLEET	**0**	-	**813 801**	(475 019)	(475 019)
171 068 315	(142 438 804)	28 629 511	**TOTAL**	**211 587 222**	210 935 621	**191 446 720**	(195 553 302)	15 382 320

INTERNAL CHARGES

APPENDIX C - Unaudited
SWELLENDAM LOCAL MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2014
GENERAL FINANCE STATISTIC CLASSIFICATIONS

2013 Actual Income R	2013 Actual Expenditure R	2013 Surplus/ (Deficit) R		2014 Budgeted Income	2014 Actual Income R	2014 Budgeted Expenditure	2014 Actual Expenditure R	2014 Surplus/ (Deficit) R
41 886 013	(21 449 715)	20 436 298	Corporate Services	**49 246 882**	50 432 623	**(24 135 989)**	(38 755 622)	11 677 001
168 300	(7 243 822)	(7 075 522)	Municipal Manager	**228 000**	161 169	**(6 795 010)**	(7 528 446)	(7 367 277)
22 045 436	(23 736 042)	(1 690 605)	Community Services	**43 104 570**	62 585 632	**(55 084 380)**	(51 472 000)	11 113 632
101 621 931	(71 467 718)	30 154 213	Engineers Service	**113 147 099**	92 240 114	**(83 142 825)**	(76 457 960)	15 782 153
5 346 635	(18 541 508)	(13 194 873)	Finance Service	**5 860 671**	5 516 083	**(22 288 516)**	(21 339 274)	(15 823 191)
171 068 315	(142 438 804)	28 629 511	**Total**	**211 587 222**	210 935 621	**(191 446 720)**	(195 553 302)	15 382 320
			INTERNAL CHARGES					
					210 935 621		(195 553 302)	15 382 320

APPENDIX D - Unaudited
SWELLENDAM LOCAL MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance 1 JULY 2013	Correction of error	Balance 1 JULY 2013	Grants Received	Grants withhold	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	Balance 30 JUNE 2014
UNSPENT AND UNPAID GOVERNMENT GRANTS AND RECEIPTS	R	R	R	R		R	R	R
National Government Grants								
Equitable Share	-	-	-	19 857 000		(19 857 000)		-
Local Government Financial Management Grant	-	-	-	1 400 000		(1 400 000)		-
Integrated National Electrification Programme (Eskom) Grant	-	-	-					-
Municipal Infrastructure Grant			-	11 042 000		(552 100)	(10 489 900)	-
Municipal Systems Improvement Grant	-	-	-	890 000		(890 000)		-
RBIC	-		-	7 897 887			(7 897 887)	(0)
EPWP	-		-	1 000 000		(1 000 000)		-
		-						
Total National Government Grants	-	-	-	42 086 887	-	(23 699 100)	(18 387 787)	(0)
Provincial Government Grants								
Social Plan Fund	26 392		26 392	-				26 392
Upgrade : Library Suurbraak	520		520			(520)		0
Structure Plan	1 014		1 014			(1 014)		0
Disaster Management System	5 894		5 894			(5 894)		0
Project Preperation	7 700		7 700			(7 700)		-
Economic Development Plan	50 000		50 000					50 000
Multi Purpose Sentrum	86 225		86 225			(8 300)		77 925
Electicity Master Plan	11		11			(11)		0
Library Services	74 128		74 128	344 000		(394 461)		23 667
Community Development Workers	-		-					-
Emergency Housing - Malgas	33 622		33 622					33 622
Housing Projects	1 292 982		1 292 982	19 918 651		(17 288 959)		3 922 674
Transformation Cost	1 075		1 075			(1 076)		(1)
Financial Support	1 232 971		1 232 971	450 000		(1 682 971)		(0)
Municipal Replacement Fund	722 527		722 527	3 341 000		(3 337 935)	(401 102)	324 490
Main Road Maintenance Subsidy			-					-
Seta	435 362		435 362	92 369		(194 859)		332 873
Human Settlements								-
Organisational Design Project				1 100 000		(1 100 000)		-
Revenue Enhancement								-
Government Funeral				100 000		(100 000)		-
Total Provincial Government Grants	3 970 423	-	3 970 423	25 346 020		(24 123 699)	(401 102)	4 791 642
District Municipality Grants								
	-	-	-	-		-	-	-
	-	-	-	-		-	-	-
Total District Municipality Grants	-	-	-	-		-	-	-
Other Grant Providers								
Swellendam Festival	7	-	7			(7)		(0)
Vegetable Project - Barrydale	81 723	-	81 723					81 723
Masabanbane Projects	9 248	-	9 248					9 248
EMP Railton Erf 5269	9 374		9 374			(9 375)		(1)
		-	-	-		-	-	-
Total Other Grant Providers	100 352	-	100 352	-		(9 382)	-	90 970
Total	**4 070 775**	**-**	**4 070 775**	**67 432 907**	**-**	**(47 832 181)**	**(18 788 889)**	**4 882 613**